



2013 Property Tax Rate Bylaw Questions and Answers

What do we mean by “Tax Revenue Neutral”?

Property taxes’ remaining tax revenue neutral simply means that the inflationary aspects of the real estate market have been factored out of the mill rate calculation and as a result the Municipality will collect the same tax revenue for the 2013 tax year as it did in the 2012 tax year on properties which existed in 2012. In reference to the recommended 2013 Tax Rate Bylaw, residential, other residential and non-residential properties are recommended to remain tax revenue neutral. Assessed values in the residential property tax class, as an example, experienced differing market value changes due to market influences. Although the Municipality is collecting the same tax revenue in 2013 from all classes of properties “which existed in 2012”, there will be both tax increases and decreases within the property classes. The overall total tax revenue collected for all property classes will increase as a result of new construction being taxed for the first time in the 2013 taxation year.

How do property taxes in Fort McMurray urban service area compare to municipal residential taxes in other urban centers with a population of 50,000 or greater?

As of 2012 the Municipality has the 3rd lowest residential property taxes in comparison to 9 Alberta urban centers with a population of 50,000 or greater.

How do property taxes in Fort McMurray urban service area compare to municipal non-residential taxes in other urban centers with a population of 50,000 or greater?

As of 2012 the Municipality has the lowest non-residential property taxes in comparison to urban centers with a population of 50,000 or greater.

Has the Provincial Education Requisition levy (school taxes) changed?

The 2013 Provincial Education property requisition and resulting school taxes for both non-residential and residential properties has increased as a result of the requisition cap being removed. For the average residential home, the 2013 school tax increase is 42.9% which translates into a \$408 increase.

Is the current property tax revenue enough to address future capital requirements?

The municipality currently has a strong financial position. Additional funding may be required in the medium term for capital projects. Administration is currently evaluating optimal financing and will make recommendations to Council in due course.