

COUNCIL – AGENDA REPORT

Meeting Date: 7 May 2024

Subject: Bylaw No. B-20/2024 - 2024 Annual Tax Rate Bylaw

Boards Routed Through: N/A

Date: N/A

Issue:

Council is being asked to give three readings to Bylaw No. B-20/2024, being the 2024 annual tax rate bylaw.

Background:

In accordance with Section 353 of the *Municipal Government Act* (MGA), the City is required to pass a tax rate bylaw annually. This bylaw enables a municipal council to levy a property tax to raise funds for operating the municipality in accordance with the 2024 Council approved budget and to meet Provincial obligations to collect and remit education tax.

Municipal Tax:

City Council approved a \$5,239,440 tax revenue increase with the 2024 budget. Now that the assessment data has been finalized, the actual results have been calculated. Since property classes across the city have all increased or decreased slightly, property owners will experience changes based on any increased or decreased assessment value. The overall assessment value has increased year over year, which means the municipal tax rate decreased in order to bring in the same amount of revenue. The median single-family homeowner with a 12% change in assessed value from \$496,800 to \$556,000 will see an increase in municipal taxes of \$12.25/month. If a property value has increased or decreased more or less than this, there will be a corresponding effect on taxes.

Tax rates are split between residential and non-residential properties. Due to higher inflationary increases to the Residential assessment base, the tax burden has shifted even more from the non-residential to the residential base. In Rockyview County, in order to mitigate some of this shift they have increased the ratio from 3:1 up to 3.5:1. Meaning 3.5 times the residential rate is applied to the non-residential tax base. The City of Airdrie is maintaining the 2.1:1 ratio that has been in place for a number of years, which further enhances our competitive advantage to attract non-residential growth. Calgary is currently at 4.37:1.

Education Tax:

Every year, the Province calculates the amount each municipality must contribute towards the public education system based on a city's total assessment value. Municipalities then collect the education property tax and send it to the Province for the Alberta School Foundation Fund (ASFF). It is then distributed to the public and separate school boards on an equal per student basis. The Province has increased the residential requisition amount by 18% and the non-residential amount by 7% for properties in the City of Airdrie. The effect of the education tax on the average household is an increase of \$11.24/month.

Rocky View Foundation:

The Rocky View Foundation provides affordable housing options to seniors within Airdrie. They currently operate two seniors' lodges. They also purchased the Hampton Inn and Suites and converted it to another lodge for residents that opened in 2023. The Rocky View Foundation requisition will be increasing from \$675,508 to \$1,301,976 - a substantial increase of \$626,468 in 2024 to help fund these services. The effect of this increase on the average household will be an additional \$1.60/month.

Designated Industrial Property Tax:

As of January 1, 2018, the Province (under the position of the Provincial Assessor) assumed the responsibility for Designated Industrial Property assessment. The cost of assessing designated industrial property is recovered through a requisition and paid by designated industrial property taxpayers at a rate set by the Minister. The City does not have many linear parcels (e.g., wells, pipelines, railways and telecommunications); the total revenue collected and remitted to the government in 2024 is \$7,782.

Community Revitalization Levy:

On December 28, 2022, Council approved the Community Revitalization Levy (CRL) which went into effect January 1, 2023. The increases to assessed property values in the defined CRL area will have the municipal revenue and the provincial education portion of the property tax collected on the increased value, set aside for public improvement projects in the CRL area. These rates, while the same as the regular tax rates, are split out in the Bylaw to demonstrate the actual funds raised for this purpose each year. In 2023 the total funds raised by the CRL were \$270,205, in 2024 they will be \$483,827.

Combined Tax Rates:

The chart below details the municipal, education, seniors foundation and designated industrial property tax rates for residential and non-residential properties (not including annexed lands). As assessments increased the mill rate (the charge applied to the assessed value on a property) has decreased.

	2023	2024	% Change
Residential			
Municipal Tax	0.00448106	0.00426832	-4.75%
Education Tax	0.00217054	0.00218208	0.53%
Seniors Foundation Tax	0.00004617	0.00007579	64.15%
Total Residential	0.00669777	0.00652619	-2.56%

Non-Residential			
Municipal Tax	0.00941019	0.00896364	-4.75%
Education Tax	0.00357488	0.00341684	-4.42%
Seniors Foundation Tax	0.00004617	0.00007579	64.15%
Total Non-Residential	0.01303124	0.01245627	-4.41%
Designated industrial Property - Requisition	0.0000746	0.0000765	2.55%

The Tax Rate Bylaw must be passed before tax notices can be mailed. Information has been published informing residents that tax notices will be mailed on May 27, 2024. This timeline is consistent with prior years.

Alignment with South Saskatchewan Regional Plan and AirdrieONE:

N/A

Boards Routed Through:

N/A

Administration Recommendation:

That Council gives three readings to Bylaw No. B-20/2024, being the 2024 Tax Rate Bylaw, with the budget approved \$5,239,440 tax increase, and amends the 2024 budget for the actual requisition amounts.

Alternatives/Implications:

N/A

Communications Plan:

Tax notices will be mailed out to all property owners on May 27, 2024. A brochure is included with each notice detailing where tax dollars are spent, as well as the calculation for municipal and education taxes. The information will also be posted on the City website. Both the brochure and City website help to further engage, inform and educate citizens with regards to how tax revenue is generated, levied, and used. Municipal tax rates are broken out into three categories. Below is an example of the average home in Airdrie.

Description	Current Rates	Levy
Policing and Fire Services	0.00136411	\$758.45
Municipal Residential	0.00280038	\$1,557.01
Tax Stabilization Reserve	0.00010383	\$57.73
Public School Residential	0.00218208	\$1,213.24
Rocky View Foundation	0.00007579	\$42.14

The average home contributes \$758 towards protective services. This breakdown provides much more transparency for the taxpayer.

Recommendation:

That Council:

1. gives three readings to Bylaw No. B-20/2024, being the 2024 Tax Rate Bylaw, with the 2024 budget approved \$5,239,440 tax increase.
2. amends the 2024 Budget and revises the provincial requisitions including adjustments for 2023 under/over levies in the following amounts, as directed by the Province of Alberta:

- Alberta School Foundation Fund \$36,613,749
- Opted Out School Boards \$ 3,590,750
- Designated Industrial Properties \$ 7,782
- Rocky View Foundation \$ 1,302,013

Monica Labait
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Presenter:	Monica Labait
Department:	Corporate Services
Reviewed by:	Shannon Schindeler
Attachments:	#1: Bylaw No. B-20/2024 #2: Additional 2024 Tax Information and Background #3: QA Assessment and Taxation
Appointment:	N/A