

COUNCIL – AGENDA REPORT

Meeting Date: 6 May 2025

Subject: Bylaw No. B-11/2025 - 2025 Annual Tax Rate Bylaw

Directorate: Corporate Services

Issue:

Council is being asked to give three readings to Bylaw No. B-11/2025, being the 2025 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 2025 Council approved budget and to meet Provincial obligations to collect and remit education tax.

Municipal Tax:

City Council approved a \$3,931,500 tax revenue increase with the 2025 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 10% change in assessed value from \$556,000 to \$614,000 will see an increase in municipal taxes of \$9.37/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. The City of Airdrie is maintaining the 2.1:1 ratio that has been in place for a number of years, which further enhances Airdrie's competitive advantage to attract non-residential growth. Calgary is currently at 3.5:1.

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 25% and the non-residential amount by 19% for properties in the City of Airdrie. Growth has helped mitigate this somewhat and reduced this to a residential increase of 19%. The effect of the education tax on the average household is an increase of \$18.53/month. This is the largest year over year increase the City of Airdrie has ever experienced.

Rocky View Foundation:

The Rocky View Foundation provides affordable housing options to seniors within Airdrie. They currently operate two seniors' lodges. The Rocky View Foundation requisition will be decreasing from \$1,301,976 to \$1,262,562 - The effect of this decrease on the average household will be a reduction of \$2.94/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 2025 is \$8,137.

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 were \$483,827 and in 2025 they will be \$509,140.

Combined Tax Rates:

The total combined tax rate increase is 9.2% or \$27.90 per month to the median single family home owner.

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.

	2024	2025	% Change
Residential			
Municipal Tax	0.00426832	0.00404869	-5.15%
Education Tax	0.00218208	0.00234308	7.38%
Seniors Foundation Tax	0.00007579	0.00006384	-15.77%
Total Residential	0.00652619	0.00645561	-1.08%

Non-Residential			
Municipal Tax	0.00896364	0.00850739	-5.09%
Education Tax	0.00341684	0.00385043	12.67%
Seniors Foundation Tax	0.00007579	0.00006384	-15.77%
Total Non-Residential	0.01245627	0.01242166	-0.28%
Designated industrial Property - Requisition	0.00007579	0.00006975	-7.97%

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 29, 2025. This timeline is consistent with prior years.

Council Committee Routed Through:

N/A

Administration Recommendation:

That Council gives three readings to Bylaw No. B-11/2025, being the 2025 Tax Rate Bylaw, with the budget approved \$3,931,500 tax increase, and amends the 2025 budget for the actual requisition amounts.

Alternatives/Implications:

N/A

Communications and Engagement:

Tax notices will be mailed out to all property owners on or before May 29, 2025. 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.

Of note, new this year is the Capital Investment line replacing the tax stabilization category.

Description	Current Rates	Levy
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Policing and Fire Services	0.00134730	\$827.24
Municipal Residential	0.00193833	\$1,190.13
Capital Investment	0.00076306	\$468.52
Public School Residential	0.00234308	\$1,438.65
Rocky View Foundation	0.00006384	\$39.20

The average home contributes \$827 towards protective services. This breakdown provides much more transparency for the taxpayer.

Recommendation:

That Council:

1. gives three readings to Bylaw No. B-11/2025, being the 2025 Tax Rate Bylaw, with the 2025 budget approved \$3,931,500 tax increase; and
2. amends the 2025 Budget and revises the provincial requisitions including adjustments for 2024 under/over levies in the following amounts, as directed by the Province of Alberta:

- Alberta School Foundation Fund \$45,423,431
- Opted Out School Boards \$ 4,445,555
- Designated Industrial Properties \$ 8,137
- Rocky View Foundation \$ 1,262,562

Monica Labait
Manager of Treasury

Presenter:	Monica Labait
Department:	Corporate Services
Reviewed by:	Shannon Schindeler
Attachments:	#1: Bylaw No. B-11/2025 #2: Additional 2025 Tax Information and Background #3: QA Assessment and Taxation
Appointment:	N/A