

# **Strathcona County Tax Rate Bylaw 20-2018**

April 30, 2018

# Property Tax Refresher

# Property tax components

Annually Council is required to authorize tax rates sufficient to generate tax revenues to support:

- Municipal services – based on approved municipal operating budget
- Library services – based on approved library operating budget
- Heartland Housing Foundation – based on requisition received
- Education services – based on requisition received from the Province

# Annual property assessment and tax definitions

- **Property Assessment**

- Market value and regulated rates (per July 1, 2017 valuation date)

- **Budget/Requisitions**

- Property tax revenue as approved by council required to pay for programs and services

- **Tax Rate**

- Tax rate equals tax revenue requirements ÷ total taxable assessment
- tax rates are a calculated number, dependent on budget/requisition requirements and the total taxable assessment

- **Per Property Share of Tax**

- each property (individual assessment x tax rate)

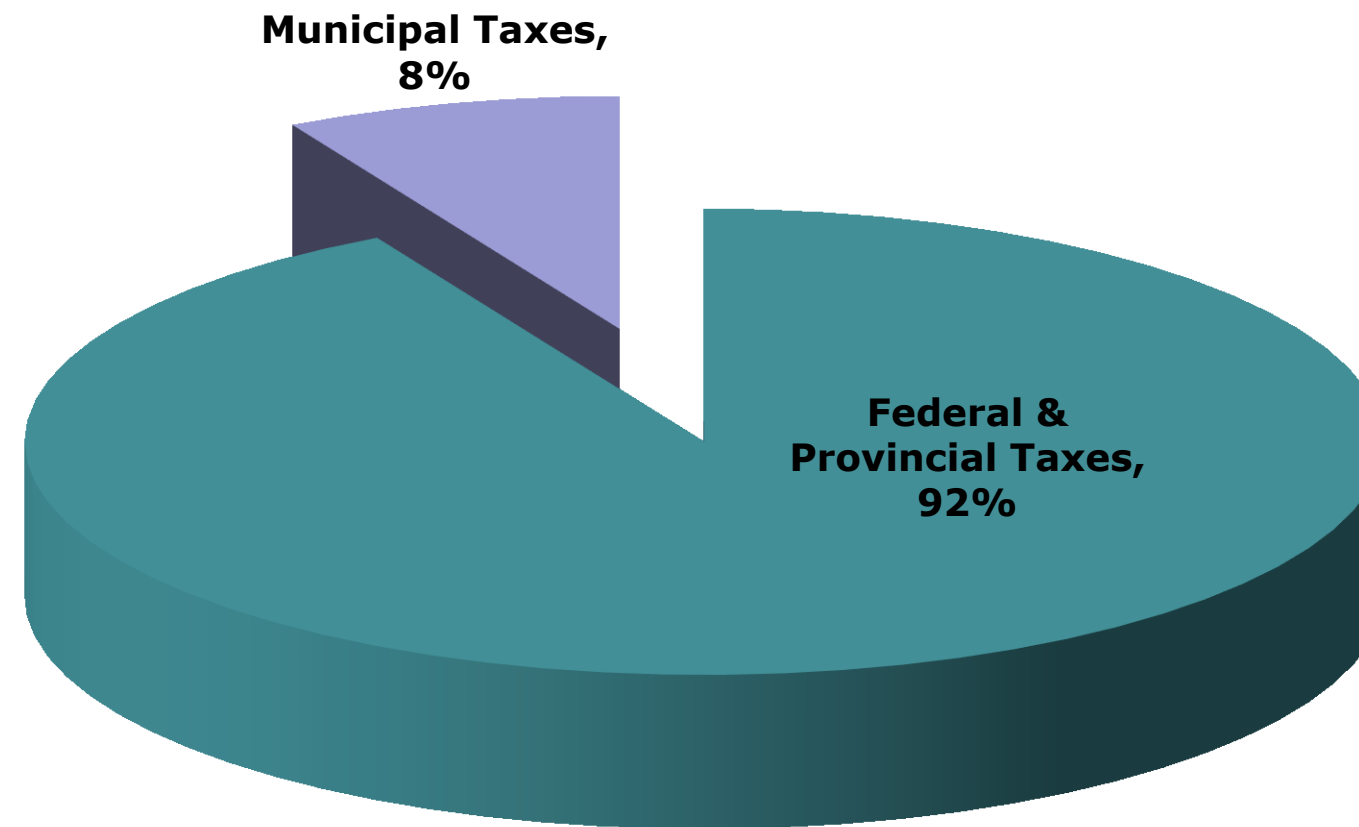
# What are property taxes?

**Property taxes are not a fee for service, but a way of distributing the cost for local government services and programs fairly throughout a municipality.**

Alberta Government, Municipal Affairs  
*Guide to Property Assessment and Taxation in Alberta*

# Municipal Overview

# Where your tax dollars go

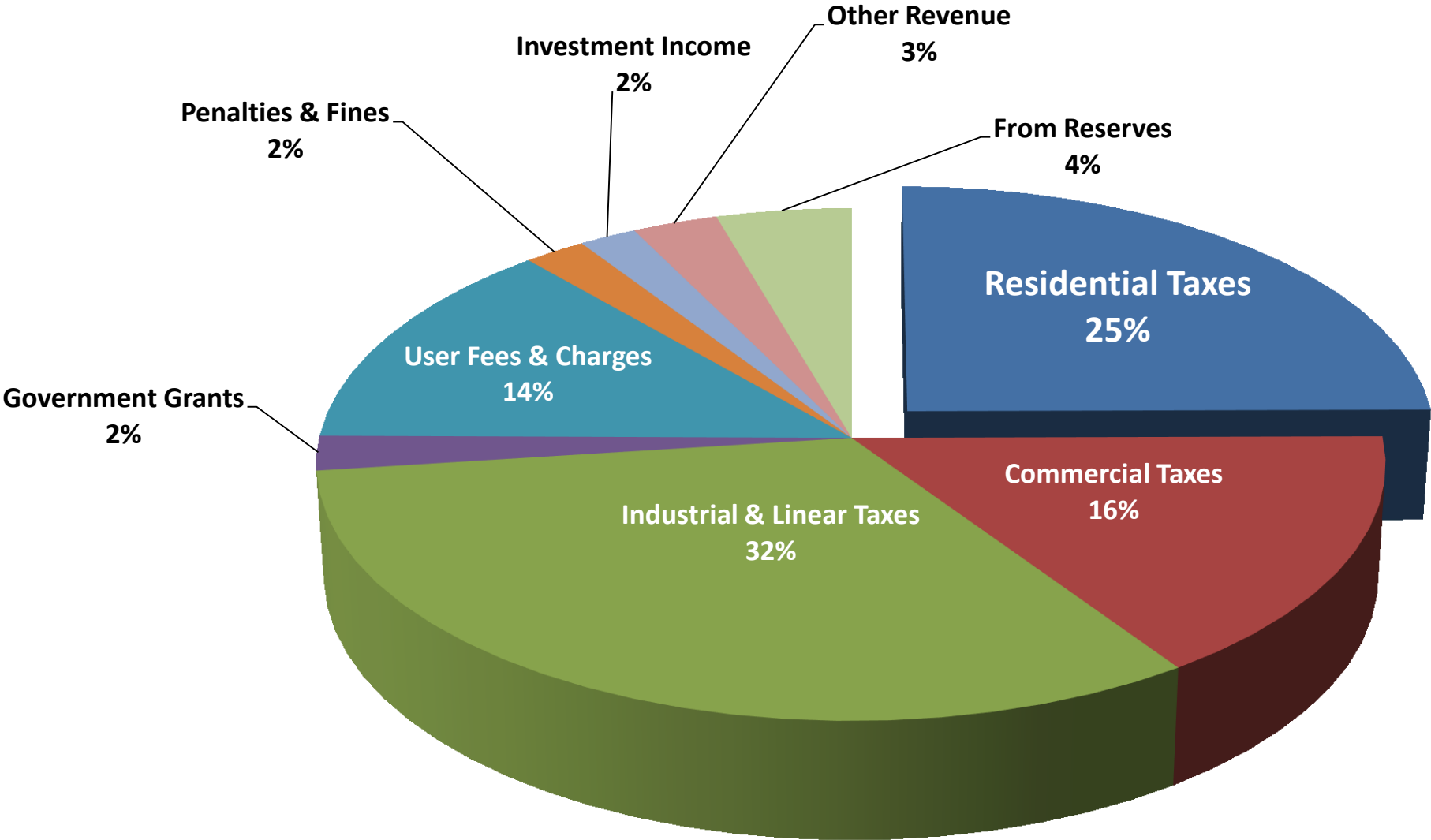


Municipal governments receive about 8% of all government tax revenues.

Source: Federation of Canadian Municipalities (FCM) 2012

# Municipal operations revenue overview

**Municipal operations only**  
**(residential taxes 25%)**



Source: 2018 Operating Budget



# 2018 tax changes

Effective Tax Change 2017 to 2018	
Municipal services	-2.18%
Library services	-2.50%

# 2018 tax requisition changes

- Requisitions are taxes collected by the County on behalf of the Heartland Housing Foundation and the Government of Alberta.

Requisition Increase 2017 to 2018	
Heartland Housing Foundation	41.03%
Education services – residential	0.84%
Education services – non-residential	3.19%
Education services total	1.63%
Designated Industrial Properties	New in 2018

# 2018 tax rate bylaw

	<b>Assessment (000's)</b>	<b>Gross Expenditure* or Requisition</b>	<b>Other Revenue/ Prior Year Overlevy (Underlevy)</b>	<b>Supp. Tax</b>	<b>Tax Funded Expense Excluding Supp.</b>	<b>Residential / Farmland (mills)</b>	<b>Non- Residential (mills)</b>	<b>Machinery &amp; Equipment (mills)</b>	<b>Linear (mills)</b>
Municipal Operating**	33,596,143	290,357,279	78,484,981	500,000	211,372,298	4.1681	8.5192	8.5192	8.5192
Library Operating	33,596,143	10,534,859	1,465,780	0	9,069,079	0.1504	0.4191	0.4191	0.4191
Heartland Housing Foundation Requisition	33,592,769	4,206,910	19,906	0	4,187,004	0.1247	0.1247	0.1247	0.1247
Education Requisition	33,532,573	65,751,195	(87,461)	0	65,838,656	2.5075	3.7116	0.0000	3.7116
Subtotal		370,850,243	79,883,206	500,000	290,467,037	6.9507	12.7746	9.0630	12.7746
Designated Industrial Properties Requisition	12,393,603	447,846	0	0	447,846	0.0341	0.0341	0.0341	0.0341
Total For Current Year		371,298,089	79,883,206	500,000	290,914,883	6.9848	12.8087	9.0971	12.8087

\* excludes amortization expense

\*\*excludes the Utilities Department

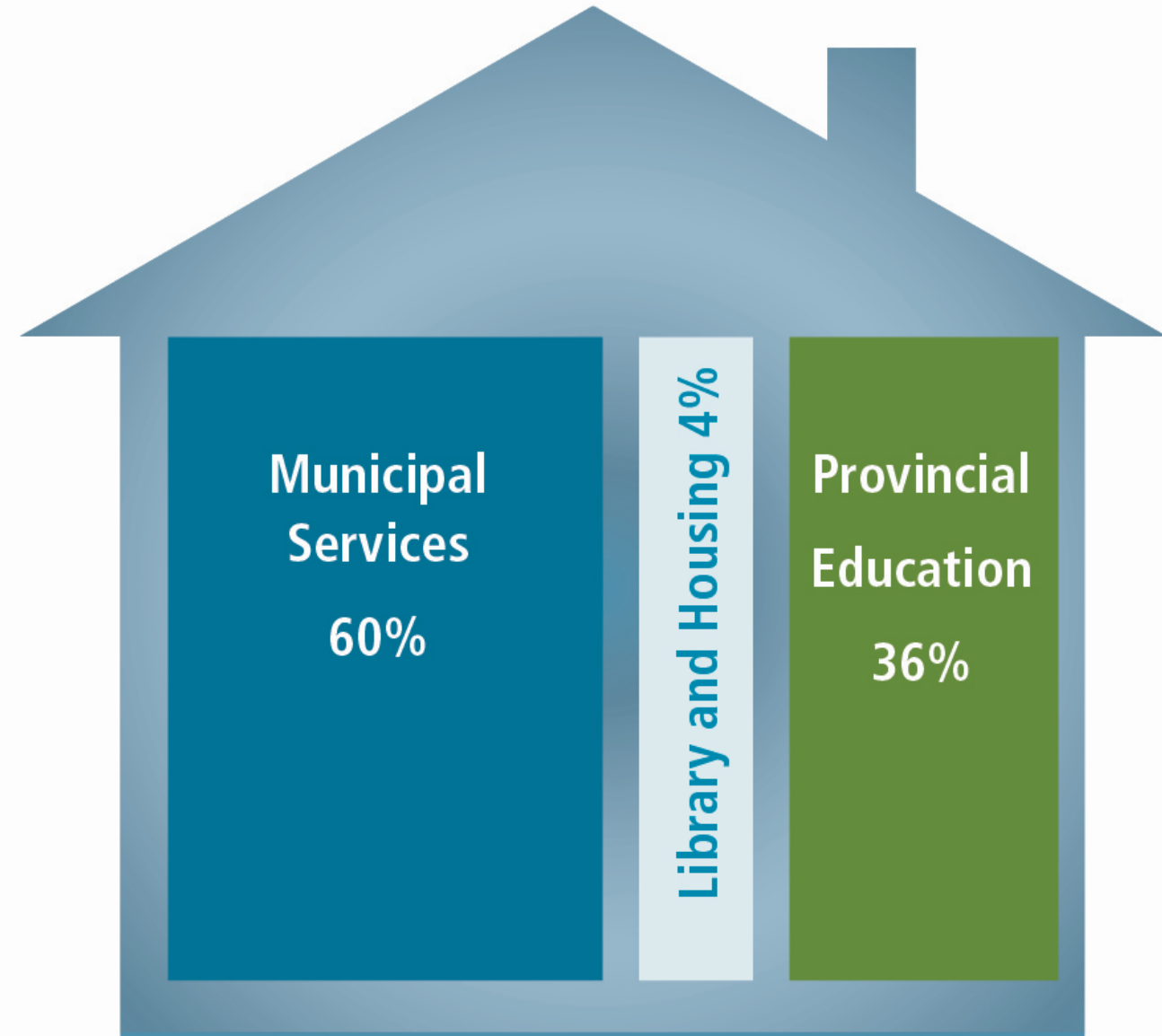
# Value for our Residents

# 2018 residential property tax distribution

**60%** pays for municipal services

**4%** supports the Strathcona County Library and Heartland Housing Foundation

**36%** is collected on behalf of the Government of Alberta for education



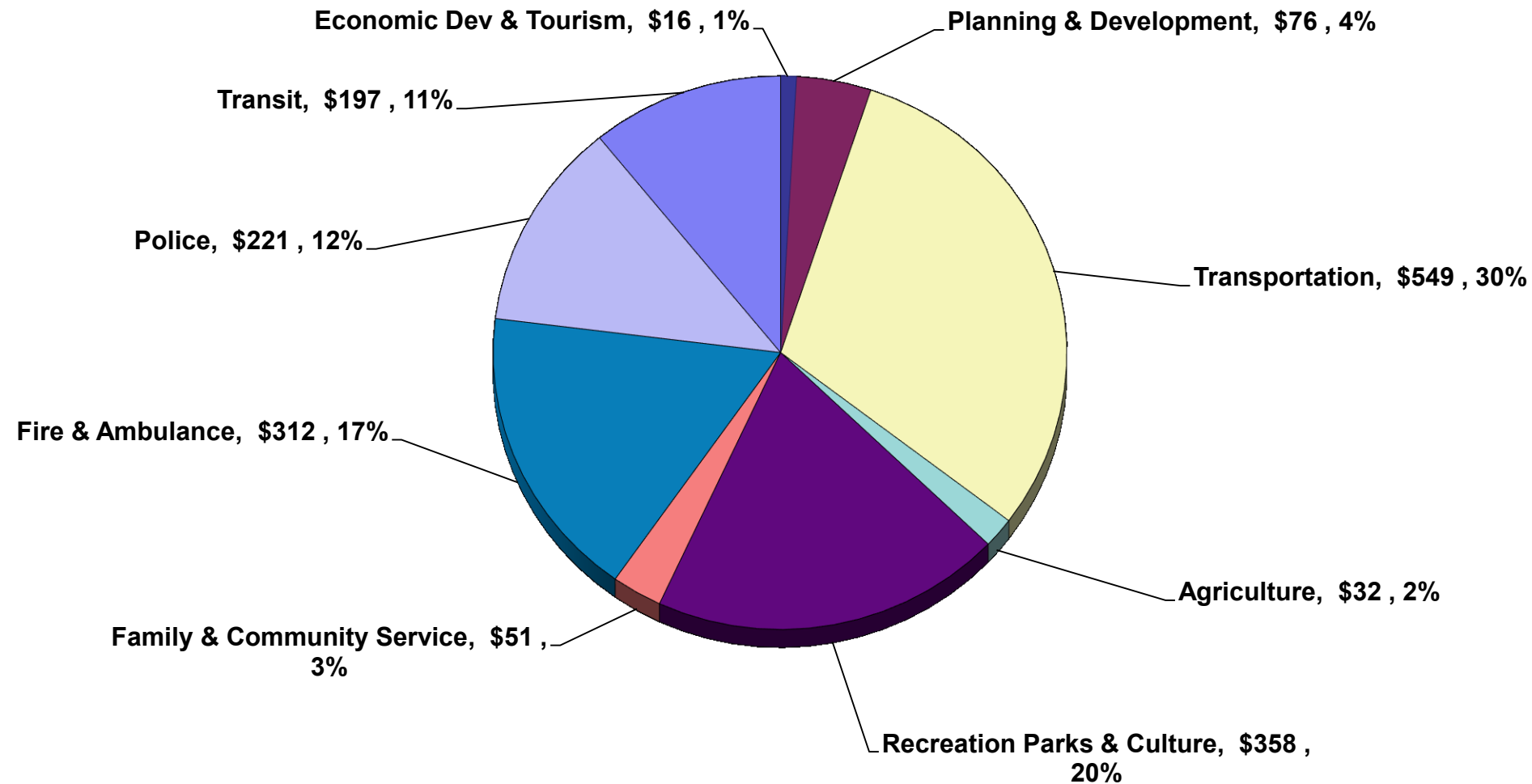
# Projected 2018 property tax dollar impact

Sample single family residential property  
New 2018 assessment = \$435,000 (2017=\$430,000)

Projected 2018 Property Tax Dollar Increase Impact			
Sample Single Family Residential Property			
New 2018 Assessment = \$435,000 (2017 = \$430,000)			
	2018	2017	Change
<b>Municipal Purposes:</b>	<b>\$1,811.67</b>	<b>\$1,852.04</b>	<b>(\$40.37)</b>
*percent increase in municipal taxes			-2.18%
*percent of total property taxes	59.97%	60.61%	
<b>Library Purposes:</b>	<b>\$65.37</b>	<b>\$67.05</b>	<b>(\$1.68)</b>
*percent increase in library taxes			-2.50%
*percent of total property taxes	2.16%	2.19%	
<b>Heartland Housing Foundation:</b>	<b>\$54.20</b>	<b>\$38.30</b>	<b>\$15.90</b>
*percent increase in HHF taxes			41.52%
*percent of total property taxes	1.79%	1.25%	
<b>Municipal, Library and HHF Property Taxes</b>	<b>\$1,931.24</b>	<b>\$1,957.39</b>	<b>(\$26.15)</b>
<b>Education Purposes</b>	<b>\$1,089.89</b>	<b>\$1,098.14</b>	<b>(\$8.25)</b>
*percent increase in education taxes			-0.75%
*percent of total property taxes	36.08%	35.94%	
<b>Total Projected Property Taxes</b>	<b>\$3,021.13</b>	<b>\$3,055.53</b>	<b>(\$34.40)</b>
<b>Total Percent Increase in Taxes</b>			<b>-1.13%</b>

# Putting your municipal tax dollars to work

Annual tax dollars per sample single family household total \$1,812/year  
(sample household assessed value \$435,000)



*Administration and governance have been allocated throughout*

# Many municipal services

A sample single family residential property will pay approximately \$151 a month for municipal services.

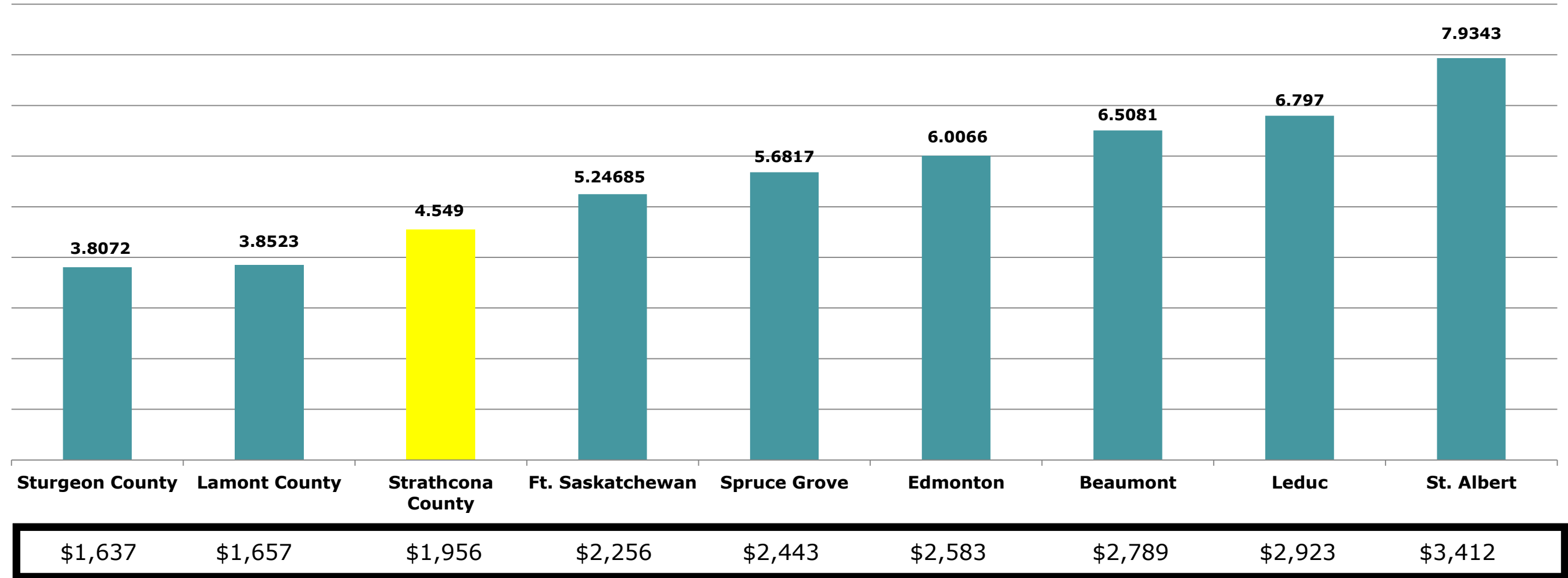
Roads	\$ 46 / month
Fire, Ambulance, Police	\$ 44 / month
Recreation, Parks, Culture	\$ 30 / month
Transit	\$ 16 / month
Planning Services	\$ 6 / month
Community Social Programs	\$ 4 / month
Agricultural Services	\$ 3 / month
Economic Development, Tourism	\$ 1 / month
<b>Strathcona County Municipal Services</b>	<b>\$ 151 / month</b>

*Administration and governance have been allocated throughout*



# 2017 tax rate comparison

## Residential (excludes education taxes)



Based on \$430,000 Assessed Value

# Projected 2018 property tax dollar impact

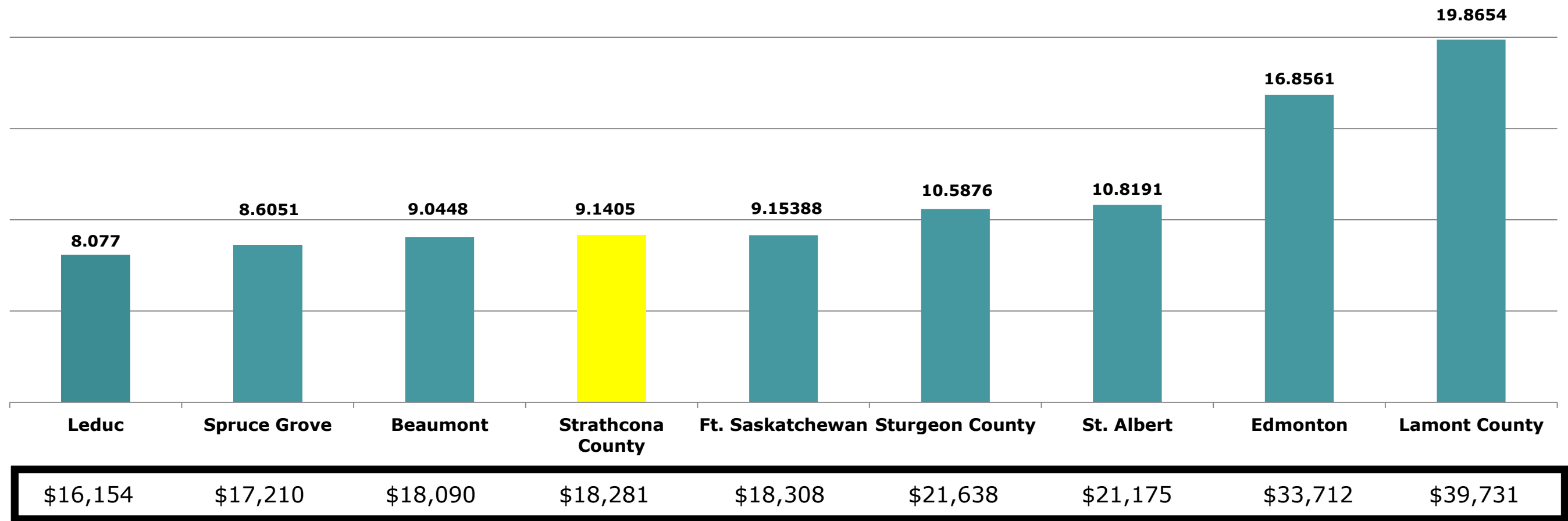
Sample commercial property

New 2018 assessment = \$1,981,000 (2017=\$2,000,000)

Projected 2018 Property Tax Dollar Increase Impact Sample Commercial Property New 2018 Assessment = \$1,981,000 (2017 = \$2,000,000)			
	2018	2017	Change
<b>Municipal Purposes:</b>	<b>\$16,875.52</b>	<b>\$17,251.60</b>	<b>(\$376.08)</b>
*percent increase in municipal taxes			-2.18%
*percent of total property taxes	66.68%	67.55%	
<b>Library Purposes:</b>	<b>\$830.12</b>	<b>\$851.40</b>	<b>(\$21.29)</b>
*percent increase in library taxes			-2.50%
*percent of total property taxes	3.28%	3.33%	
<b>Heartland Housing Foundation:</b>	<b>\$251.91</b>	<b>\$178.00</b>	<b>\$73.91</b>
*percent increase in HHF taxes			41.52%
*percent of total property taxes	1.00%	0.70%	
<b>Municipal, Library and HHF Property Taxes</b>	<b>\$17,957.54</b>	<b>\$18,281.00</b>	<b>(\$323.46)</b>
<b>Education Purposes</b>	<b>\$7,352.24</b>	<b>\$7,259.20</b>	<b>\$93.04</b>
*percent increase in education taxes			1.28%
*percent of total property taxes	29.05%	28.42%	
<b>Total Projected Property Taxes</b>	<b>\$25,309.77</b>	<b>\$25,540.20</b>	<b>(\$230.43)</b>
<b>Total Percent Increase in Taxes</b>			<b>-0.90%</b>

# 2017 tax rate comparison

## Non-residential (excludes education taxes)



Based on \$2,000,000 Assessed Value

# Questions