Bylaw 18-2020, 2020 Property Tax Rate

Report Purpose
To give three readings to a bylaw that will authorize the 2020 tax rate structure in order to levy the property taxes necessary to cover budget and requisition requirements.

Recommendation
1. THAT Bylaw 18-2020, a bylaw to authorize the 2020 tax rates for Strathcona County, be given first reading.
2. THAT Bylaw 18-2020 be given second reading.
3. THAT Bylaw 18-2020 be considered for third reading.
4. THAT Bylaw 18-2020 be given third reading.

Our Prioritized Strategic Goals
Governance Requirement

Report
On December 5, 2019 Strathcona County Council approved a 2020 Consolidated Operating Budget of $377M, with revenues matching expenses, which included a 1.21% municipal tax increase. On April 21, 2020 Council provided direction to reduce the 1.21% to a 0% municipal tax increase.

On February 28, 2020 Heartland Housing Foundation (HHF) confirmed a requisition requirement of $4,151,295 to provide for a portion of their 2020 operating requirements. Pursuant to the March 18, 2020 provincial budget, Alberta Municipal Affairs submitted the 2020 Alberta School Foundation Fund requisition package in the amount of $67,946,017 and the 2020 Designated Industrial Properties requisition of $924,285 (Enclosure 2).

As illustrated by Enclosure 3, residential municipal property taxes will represent 60.5% of the total residential property taxes levied by Strathcona County. Education taxes, which are dictated by the province, comprise 35.5% of total residential property taxes levied. Library and HHF requisitions comprise the remaining 4% of the residential property taxes levied.

Enclosure 3 summarizes the impact that the recommended 2020 tax rates will have on a sample single family residential property with an approximate assessment of $419,000. Municipal taxes amount to $1,827 for this sample residential property (assumes average decrease in assessment due to market value changes) and is based on a 0.0% tax dollar increase for 2020. Total projected property taxes for this sample property are expected to decrease approximately $57 (1.87%).

Council and Committee History
April 21, 2020 Council provided direction to prepare a 0% tax increase for 2020.

December 5, 2019 Council approved the 2020 consolidated operating budgets for Municipal, Utility, Library and Pioneer Housing Foundation Operations, which require municipal regular and supplementary taxes of $222,857,646 and library regular taxes of $9,882,552.
Other Impacts
Policy: n/a
Legislative/Legal: The Municipal Government Act (section 353) requires that a Tax Rate Bylaw be passed annually by Council for the establishment of property tax rates for Strathcona County. The Tax Rate Bylaw is required to authorize tax rates that are necessary to generate property tax revenues required to support municipal and library programs and services pursuant to approved budgets, provincial and separate school board education requisitions, and other requisitions.
Interdepartmental: Assessment and Taxation, Corporate Planning, Corporate Finance

Communication Plan
Media Release
Newspaper Advertisement
Other: Information Brochure

Enclosures
1 Bylaw 18-2020 – 2020 Tax Rate
2 Schedule “A” – Tax Rate Bylaw 18-2020
3 Presentation – Tax Rate Bylaw 18-2020