



BYLAW 07-21 – ANNEXATION LANDS PROPERTY TAX RATES

Purpose

The purpose of Bylaw 07-21 is to establish the same rates of taxation as Foothills County for subject properties as ordered by the annexation Orders in Council numbers 519/2003 and 199/2017.

Readings

This Bylaw is ready for three readings.

Report, Analysis and Financial Implications

In 2003 and 2017 the annexed lands previously within Foothills County had conditions set in the Orders in Council numbered 519/2003 and 199/2017 as per the subject properties identified on the map in Attachment 3. The Orders in Council specified certain assessment and taxation conditions typical within an annexation order, regarding the subject properties.

For taxation purposes the properties:

- a) must be assessed by the Town of Okotoks on the same basis as if they had remained in the Foothills County; and
- b) must be taxed by the Town of Okotoks in respect of each assessment class that applies to the annex land and the assessable improvements to it using the municipal tax rates established by the Foothills County; and
- c) the tax rate to be established on the area annex to the Town of Okotoks, set by the Order in Council 199/2017 must be taxed by the Town of Okotoks in respect of each assessment class that applies to the annex land and the assessable improvements to it using:
 - (i) the tax rate established by the Foothills County; or
 - (ii) the tax rate established by the Town of Okotoks,whichever is lower, for property of the same assessment class.

The assessment for these properties have been prepared in accordance with the Orders in Council. 2021 tax rates for properties within Foothills County received first reading by Foothills County Council on May 5, 2021. Proposed Bylaw 07-21 will apply Foothills County's municipal tax rates to the subject properties under the Annexation Orders. Bylaw 07-21 may be subject to amendments initiated by Administration should Foothills County approve any amendments upon second and third readings during its Council Meeting on May 12, 2021.

The following chart shows the trend in Okotoks' assessed values, along with the impact of residential to non-residential assessment split for Annexed Properties within the Town of Okotoks. The assessment value, determined as of July 01, 2020, results in a \$1 Million decrease for residential and a \$1 Million decrease for non-residential.

Municipal Tax Assessment Base – Residential / Non-Residential Split (M's) (Annex Properties)				
(\$ Millions)	2020 Declared		2021 Declared	
	\$	% Split	\$	Split
Residential	46	83.6	45	84.9
Non-Residential	9	16.4	8	15.1
Total Assessment	55		53	
% Change	0.0%		-3.6%	

Determination of 2021 property tax rates for municipal purposes was based on Council's approval of the 2021 Budget guidelines requiring municipal tax revenues of \$29.903 Million. Okotoks has two classes of taxation (residential and non-residential) in which non-residential is calculated as a percentage of residential.

Total requisitions for 2021 are \$15.975 Million (Town properties requisitioned \$15.812 Million; Annexed properties requisitioned \$0.163 Million) and the allocation is determined as follows:

- Recovery of requisitioned amounts are based on the total assessment base for the Okotoks Public Library and Westwinds Communities.
- Recovery of education requisitions are based on prescribed dollar amounts by class for the Province.

Strategic Plan Goals

<input type="checkbox"/>	Manage Community Growth	<input checked="" type="checkbox"/>	Provide Strong Governance
<input type="checkbox"/>	Provide Quality Community Infrastructure	<input type="checkbox"/>	Healthy and Safe Community
<input type="checkbox"/>	Enhance Organizational Excellence	<input type="checkbox"/>	Foster Economic Vitality
		<input type="checkbox"/>	Promote Environmental Excellence

Public Hearing / Participation Strategy

n/a

Alternatives for Consideration

n/a

CAO Comments

Bylaw 07-21 ensures compliance with the Orders In Council that authorized the annexation process.

Attachment(s)

1. Draft Bylaw 07-21 Annexation Property Tax Rates
2. List of Annexation Properties as per Orders in Council
3. Bylaw 07-21 Annexation Property Area 2021 Map

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