

BYLAW 05-22 – PROPERTY AND SUPPLEMENTAL TAX RATES

Purpose

The purpose of Bylaw 05-22 is to authorize the rates of taxation levied against assessed taxable properties, including properties with supplementary assessments for the 2022 tax year.

Readings

This Bylaw is ready for three readings.

Report, Analysis and Financial Implications

Council is required each year to levy on the assessed value for all property tax rates sufficient to raise revenue to be used towards the payment of:

- a) the expenditures and transfers set out in the budget of the municipality; and
- b) the requisitions of external organizations (these include amounts for Okotoks Library, Westwinds Communities, Provincial education and designated industrial property).

The following chart shows the trend in Okotoks' assessed values, along with the impact on the residential to non-residential assessment split. The assessment value, determined as of July 1, 2021, results in a \$267 Million increase for residential and a \$6 Million increase for non-residential.

Municipal Tax Assessment Base – Residential / Non-Residential Split (M's)						
(\$ Millions)	2021 Declared		2022 Declared		Assessment Value Change	Change
	\$	% Split	\$	% Split	\$	%
Residential	4,414	85.8	4,681	86.4	267	6.0
Non-Residential	731	14.2	737	13.6	6	0.8
Total Assessment	5,145		5,418		273	5.3

Council has approved the 2022 budget of \$47.535 Million which includes municipal tax revenue of \$31.150 Million plus requisitions of \$16.385 Million.

Okotoks has two classes of taxation (residential and non-residential) in which non-residential is calculated as a percentage of residential.

Municipal tax revenue of \$31.150 Million (\$30.900 Million from Town properties; \$0.250 Million from Annex properties).

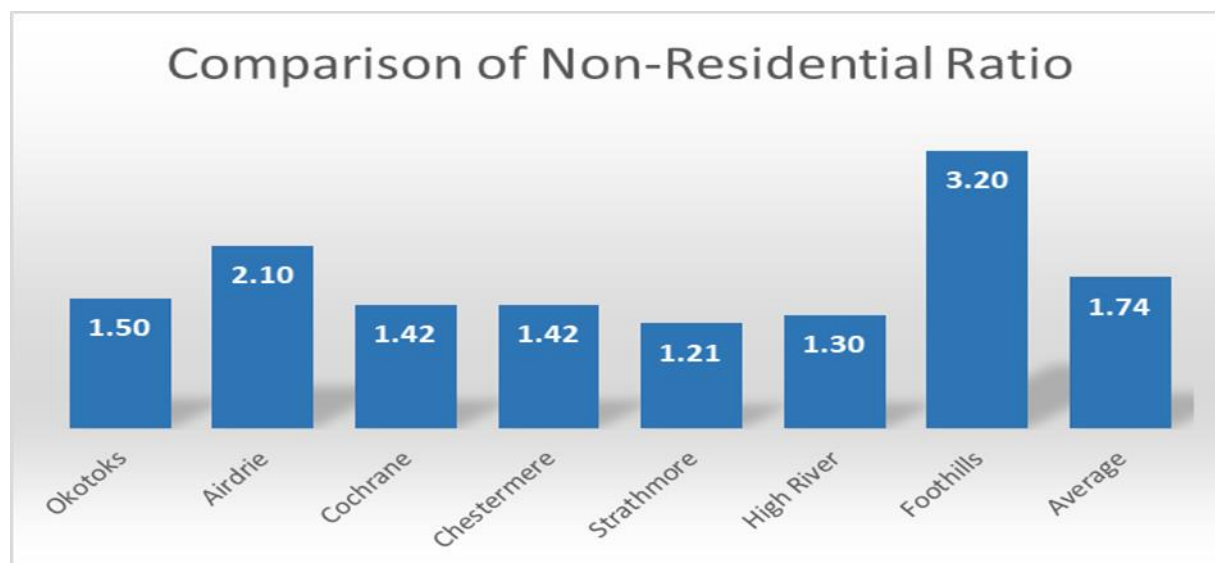
Requisition requests are \$16.385 Million (\$16.219 Million from Town properties; \$0.166 Million from Annex properties)
Requisitions are determined as follows:

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.
- Recovery of requisitioned designated industrial property is based on the linear property assessment base for the Province.

This following table represents ratios of residential / non-residential tax rates across the region. The calculation represents the multiplier factor for non-residential rates based on residential rates. For Okotoks, the non-residential tax rate is 1.5 higher than the residential tax rate. Council approves in principle the multiplier when it approves the budget guidelines.

The table below highlights those 2021 ratios:



Administration has included in this bylaw the tax rates associated with supplemental property assessment to streamline the tax rate bylaw process.

Section 369 of the *Municipal Government Act* requires that if in any year a Council passes a supplementary assessment bylaw it must, in the same year, pass a bylaw to impose a supplementary tax in respect of that property.

Bylaw 01-22, passed January 10, 2022, authorizes the preparation of supplementary assessments for improvements completed, occupied or moved into the municipality during any part of 2022.

Bylaw 05-22 was reviewed at the May 4, 2022 Finance and Audit Committee meeting and recommended to Council for approval.

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 checked="" type="checkbox"/>	Foster Economic Vitality
		<input type="checkbox"/>	Promote Environmental Excellence

Public Hearing / Participation Strategy

n/a

Alternatives for Consideration

n/a

CAO Comments

The tax rates established are in alignment with Council's approved budget. This is the first tax rate bylaw approved by Council and a second one will come forward to the next Council meeting related to ensuring the commitments made in annexation are reflected in the tax rates for annexed properties. Council had provided direction that non-residential tax rates be taxed at 1.5X the residential tax rate. This rate should continue to be monitored over time to ensure the Town remains competitive from a taxation perspective.

Attachment(s)

1. Draft Bylaw 05-22 Property and Supplemental Tax Rates

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April 29, 2022