

Subject: **2024 Assessment and Tax Rate Impact**  
 Meeting Date: Tuesday, April 9, 2024  
 Prepared By: Marika von Mirbach, Financial Planning Coordinator  
 Presented By: Marika von Mirbach, Financial Planning Coordinator

**RECOMMENDED MOTION:**

1. That Council amend the 2024 Operating Budget by reducing Property Tax revenues by \$51,356 and increasing Transfers from Reserves by the same amount through a draw from the Revenue Stabilization reserve.

**STRATEGIC PLAN ALIGNMENT: (Check all that apply)**

	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
High Quality Infrastructure		Economic Resilience		Quality of Life		Effective Leadership		Level of Service	

**RELEVANT LEGISLATION:**

**Provincial (cite)**

The County is required under the *Municipal Governments Act (MGA)* to approve a Tax Rate Bylaw which reflects the revenues as required by the County's current year operating & capital budget.

**Council Bylaw/Policy (cite)- N/A**

**BACKGROUND/PROPOSAL:**

During the 2024 Budget process Council directed administration to include the following adjustments to Property Tax revenues:

- Increase Residential taxation revenues by 4 percent.
- Increase Farmland taxation revenues by 17.5 percent.
- Increase Non-Residential taxation revenues by 3.75 percent.

In addition, Council directed administration to include a reserve draw of \$516,804 to balance the budget and mitigate financial impacts on ratepayers for the 2024 fiscal year.

**DISCUSSION/OPTIONS/BENEFITS/DISADVANTAGES/OTHER CONSIDERATIONS:**

**Assessment**

When the 2024 Budget was developed the assessment values for the 2024 Tax year were not known. As such, Council directed increases in total taxation revenues by tax class, and not by adjustments to the mill rates. These increases were also made with consideration for the *MGA* mandated 5:1 non-residential to residential mill rate ratio requirements.



The assessment values for the 2024 tax year have since been received. Due to significant inflationary increases within residential assessment, and less significant increases within non-residential assessment, the proposed revenue increases push the 5:1 ratio to slightly above the limit.

In order to bring the ratio within 5:1, Administration is recommending that Council reduce the revenue increase for non-residential from 3.75 percent to 3.5 percent. This would bring the 5:1 ratio to 4.99:1 and would require an additional draw from the Revenue Stabilization reserve in the amount of \$51,356.

This would result in an increased ratio from 4.75 in 2023 to 4.99 in 2024. However, with the anticipated ending of the Oil and Gas tax holiday, the ratio is projected to be reduced in 2025 due to the addition of the currently exempt assessment being added to the non-residential assessment base.

**Impact Administration’s Recommendation**

Based on Administration’s recommendation (and MGA requirement) to ensure the 5:1 ratio is maintained; the following impacts are of note:

***Municipal Property Tax Mill Rate Adjustments***

The 2024 Budget was developed based on adjustments to the total revenue received by tax class; this approach ensures that Council is planning on the total impact to ratepayers with consideration for assessment growth. Based on this philosophy, the mill rates will be adjusted as follows:

Tax Class	Revenue Change	Mill Rate Change
Residential	4%	-5.98%
Farmland	17.5%	17.54%
Non-Residential	3.5%	-1.24%

***Revenue Stabilization Reserve Draws***

Based on previous Council direction, and the recommendation within this report, the 2024 draws from the Revenue Stabilization reserve related to municipal property taxes include:

Purpose	Amount
To balance the 2024 operating budget	\$516,804
To maintain 5:1 non-residential to residential mill rate ratio	\$51,356
<b>Total</b>	<b>\$568,160</b>

***Ratepayer Impacts***

The impact to the average ratepayer related to municipal taxes are as follows:

	2023 Tax Year Assessment	2023 Municipal Property Tax	2024 Tax Year Assessment	2024 Municipal Property Tax	Increase of Municipal Property Tax
Acreage	\$350,000	\$1,111	\$387,013	\$1,155	\$44
Hamlet	\$150,000	\$476	\$165,863	\$495	\$19
Farm Quarter	\$30,000	\$398	\$29,991	\$468	\$70
Non-Residential	\$100,000	\$1,508	\$103,457	\$1,539	\$31



**FINANCIAL & STAFFING IMPLICATIONS:**

Administration will implement the necessary reserve draws with existing internal resources.

**RECOMMENDED ENGAGEMENT:**

Directive Decision (Information Sharing, One-Way Communication)

Tools:	Public Notification	Other:	
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**ATTACHMENTS:**

None.

**COUNCIL OPTIONS:**

1. Move the recommended motion as presented.
2. Provide administration with additional direction with which to amend the proposed Tax Rate Bylaw.
3. Request additional information.

**FOLLOW-UP ACTIONS:**

Draft communication to ratepayers regarding increases in municipal taxes in the form of the annual tax insert as well as social media communications.

**APPROVAL(S):**

Mike Haugen, Chief Administrative Officer

Approved-

