

## ADMINISTRATIVE REPORT

<b>TO:</b> Shane Bourke, City Manager	<b>DATE:</b> April 30, 2024
<b>FROM:</b> Danielle Whiteway, Chief Financial Officer	<b>MEETING:</b> Financial & Administrative Services Committee
<b>REPORT WRITER:</b> Scott Smith, Director Assessment and Taxation	
<b>SUBJECT:</b> 2024 Property Tax Bylaw C-1473	

### RECOMMENDATIONS

That the Financial and Administrative Services Committee recommend Council give three readings to Property Tax Bylaw C-1473.

### PREVIOUS COUNCIL / COMMITTEE DIRECTIONS

Council Committee of the Whole met on November 15<sup>th</sup> to November 17<sup>th</sup>, 2023 to finalize the 2024 Operating and Capital Budgets.

On November 17<sup>th</sup>, 2023, Council approved the 2024 operating and capital budgets with a proposed increase of 3.28% for the 2024 average tax amount.

On April 22, 2024, Council amended the 2024 operating and capital budgets due to the cancellation of the Stormwater utility, and increased the required tax amount by an additional \$874,000. which would equate to a 3.97% tax base increase versus the original 3.28%.

### BACKGROUND

Annually, as required by the Municipal Government Act (the “Act”), Council passes a Property Tax Bylaw to set the rates required and collect the necessary tax from the municipality as determined during annual budget deliberations.

### ANALYSIS

The residential assessment base has increased due to the new assessments that were produced to reflect a July 1, 2023 market valuation. An average residential property has increased approximately 2.8% in market value. The commercial tax base has been reduced by approximately 0.8% due to new assessments that were produced to reflect a July 1, 2023 market valuation. The tax rates will be adjusted to account for any market adjustment in assessments.

The municipal tax base will be increasing by 3.97% to generate \$131 million which will be used to provide municipal services.

The 2024 education tax levy is increasing from \$30.0 million to \$30.1 million, which is an increase of approximately 0.3%

The 2024 Grande Spirit requisition is increasing from \$561,600 to \$983,006, which is an increase of approximately 75%.

### **Relationship to City Council's Areas of Focus / Strategic Priorities**

The tax base provides the funds that allows Council and Administration to address the Focus Areas and Strategic Priorities.

### **Environmental Impact**

There is no environmental impact associated with this recommendation.

### **Economic Impact**

The average residential property will see an overall increase of approximately 3.26% once the school and Grande Spirit requisitions are factored in.

The average non-residential property will see an overall increase of approximately 3.70% once the school and Grande Spirit requisitions are factored in.

### **Social Impact**

There is no social impact associated with this recommendation.

### **Relevant Statutes / Master Plans / City Documents**

The Municipal Government Act, Section 353(1), requires each council to pass a property tax bylaw annually. Section 353(2) authorizes council to impose a tax in respect of property in the municipality to raise revenue to be used toward the payment of expenditures, transfers and requisitions.

### **Risk**

The Council of the City of Grande Prairie is ultimately responsible for imposing property tax and setting the rate at which that tax will be levied.

### **Alternatives (Optional)**

Council may direct Administration to adjust the municipal tax impact to some other percentage.

## **STAKEHOLDER ENGAGEMENT**

Bylaw C-1473 requires three readings to be passed into law. The property tax notices are scheduled to be sent to property owners mid to late May 2024. Each notice will contain the impact of the approved property tax bylaw to each property. Again this year, an additional pamphlet will be included with the notices, containing information on the City's approved budget and how property taxes are expended by the City to deliver services. A full 2024 Budget Report is also posted on the City's website.

## **BUDGET / FINANCIAL IMPLICATIONS**

Municipalities depend on property tax to provide services and amenities to its residents. In 2024 property taxes will generate the shortfall of revenue required to operate the City of Grande Prairie.

## **SUMMARY / CONCLUSION**

The Act requires Council to pass a property tax bylaw annually. A municipal property tax increase of 3.97% will provide sufficient funding for the 2024 operating and capital budgets.

The average total residential tax increase is approximately \$129 but will vary from property to property depending on how each individual property's assessment changed.

Bylaw C-1473 sets the tax rates for each assessment class and is attached to this report. Three readings are required to implement the proposed bylaw. Property tax notices will be mailed mid to late May and payment is due by June 28, 2024.

## **ATTACHMENTS**

Bylaw C-1473

Schedule B: 2024 Municipal Tax Adjustment  
2024 Total Tax Adjustment

Schedule C: 2024 Residential Impacts  
2024 Non-residential Impacts