

ADMINISTRATIVE REPORT

TO: Shane Bourke, City Manager	DATE: April 29, 2025
FROM: Danielle Whiteway, Chief Financial Officer	MEETING: Financial & Administrative Services Committee
REPORT WRITER: Scott Smith, Director of Assessment and Taxation	
SUBJECT: 2025 Property Tax Bylaw C-1486	

RECOMMENDATIONS

That the Financial and Administrative Services Committee recommends Council give three readings to Property Tax Bylaw C-1486.

PREVIOUS COUNCIL / COMMITTEE DIRECTIONS

Council Committee of the Whole met on November 13th to November 15th, 2024 to finalize the 2025 Operating and Capital Budgets.

On November 15th, 2024, Council approved the 2025 operating and capital budgets with a proposed increase of 2.28% for the 2025 average tax amount.

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, 2024 market valuation. An average residential property has increased approximately 5.85% in market value. The commercial tax base has been reduced by approximately 1.4% due to new assessments that were produced to reflect a July 1, 2024 market valuation. The tax rates will be adjusted to account for any market adjustment in assessments.

The municipal tax base will be increasing by 2.28% to generate \$134.6 million which will be used to provide municipal services.

The Province of Alberta's education requisition for the entire province is increasing from \$2.74 billion to \$3.12 Billion, which is an approximate 14% increase. The City of Grande Prairie's share is increasing from \$30.1 million to \$32.8 million, representing an approximate 9% increase. With a 9% increase, the City of Grande Prairie had one of the lowest education tax increases in the province, with most municipalities experiencing an increase above 10%. The education tax, which the City of Grande Prairie collects on behalf of the Province of Alberta, represents approximately 21% of a residential property owner's tax bill. Once the education tax increase is combined with the municipal increase of 2.28%, an average residential property owner will be facing an approximate 3.64% total tax increase.

The 2025 Grande Spirit requisition is increasing from \$993,006 to \$1,028,002, which is an increase of approximately 3.5%.

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

The tax base provides the funds that allow 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 3.64% once the school and Grande Spirit requisitions are factored in.

The average non-residential property will see an overall increase of approximately 3.09% 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-1486 requires three readings to be passed into law. The property tax notices are scheduled to be sent to property owners earlier this year, around May 13th, to avoid possible postal strike disruption, which could begin on May 22nd. Each notice will contain the impact of the approved property tax bylaw on each property. Again this year, an additional pamphlet will be included with the notices, containing information on the City's approved budget and how the City expends property taxes to deliver services. A full 2025 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 2025 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 2.28% will provide sufficient funding for the 2025 operating and capital budgets.

The average total annual residential tax increase is approximately \$152, but will vary from property to property depending on how each individual property's assessment changed.

Bylaw C-1486 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 on approximately May 13th and payment is due by June 30, 2025.

ATTACHMENTS

Bylaw C-1486

Schedule B: 2025 Municipal Tax Adjustment
2025 Total Tax Adjustment

Schedule C: 2025 Residential Impacts
2025 Non-residential Impacts