



Report

TITLE: 9:30 A.M. – 2024 TAX RATE BYLAW

Meeting: Council Meeting

Meeting Date: May 8, 2024

Background

As mandated in the Municipal Government Act, R.S.A. 2000, Ch. M-26, each municipality must prepare annually an assessment for each property in the municipality, except designated industrial property of which is prepared by the provincial assessor. Assessors must, in a fair and equitable manner, apply the valuation and other standards and follow all procedures as set out in the regulations. Flagstaff County Council has appointed Accurate Assessment as their municipal assessor. Each assessment reflects the characteristics and physical condition of the property on December 31 of the year prior to the year in which a tax is imposed (e.g. 2023 assessment is used for the 2024 tax year).

CLASS	2022 FINAL	2023 ESTIMATED	2023 ACTUAL	DIFFERENCE
Farmland	164,921,690	164,921,690	165,036,400	114,710
Residential - Rural	360,807,180	360,807,180	376,822,610	16,015,430
Residential - Urban	17,331,910	17,331,910	18,578,350	1,246,440
Non-Residential/Linear	996,015,520	1,039,460,603	999,676,190	-39,784,413
TOTAL	1,539,076,300	1,582,521,383	1,560,113,550	-22,407,833

On December 13, 2023, Council approved the following tax rates (in mills), however administration is recommending the proposed adjusted rates to raise sufficient revenue for the proposed amended budgets while recognizing council's wish to review the residential rates.

Change in Tax Rates

CLASS	Proposed Dec 13/2023	Proposed Rates May 8/2024	Difference from 2023
Farmland	18.6727	18.6727	0%
Residential – Rural	5.3491	5.0700	-5.22%
Residential – Urban	5.0755	4.8108	-5.22%
Non-Residential/Linear	17.4975	17.4975	0%

The following table shows the results of estimated tax revenues should the rates be modified as proposed. Property tax in dollar terms is calculated by multiplying the assessed property value with the tax rate and dividing it by 1,000.

CLASS	Revenue Raised		
	Proposed December 13, 2023	Proposed May 8, 2024	
Farmland	\$3,079,530	\$3,081,650	\$2,120
Residential – Rural	\$1,929,990	\$1,910,500	(\$19,490)
Residential – Urban	\$87,960	\$89,400	\$1,440
Non-Residential/Linear	\$18,187,960	\$17,491,550	(\$696,410)
Total Taxes Raised	\$23,285,440	\$22,573,100	(\$712,340)

Surplus:

The revised budget requires municipal revenue of \$22,571,500. Should Council decide to reduce Residential – Urban and Rural tax rates by 5.22%, the resulting surplus would be \$1,600. Conversely, by maintaining municipal tax rates and factoring in the official property assessment we would realize an estimated surplus of \$111,966.

Requisitions:

The following tax rates are set externally and used to generate the amount of revenue required to support the annual requisition from seniors housing and the Government of Alberta (school and DIP). The School and DIP rates have decreased relative to what is required for the requisition. The senior's housing rate has increased due to the increase in the requisition. Flagstaff County will collect \$3,892,550 for these requisitions from ratepayers in 2024 and forward the amount collected to these organizations. This has no effect on the municipal tax rate.

Flagstaff Regional Housing	0.1717	Increase of 38.36%
Designated Industrial Property (DIP)	0.0765	Increase of 2.55%
Alberta School Foundation Residential and Farmland	2.3399	Decrease of 2.92%
Alberta School Foundation Non-residential	3.6422	Decrease of 0.56%
East Central Catholic School District Residential and Farmland	2.3399	Decrease of 2.92%
East Central Catholic School District Non-Residential	3.6422	Decrease of 0.56%

The proposed budget requires municipal tax revenue of \$22,571,500. By approving the proposed tax rates, Flagstaff County will collect approximately \$22, 573,100 resulting in a budgeted surplus of \$1,600.

Alignment with the Strategic Plan

Fiscal Leadership – Flagstaff County will balance the serving of program needs of the community with consistent, prudent, and transparent financial management.

Alternatives/Options

1. Council may give first, second and if unanimously approved, third reading to Mill Rate Bylaw 04/24 with the following mill rate adjustments relative to 2023.
 - A decrease of 5.22% for Residential – Rural and Residential – Urban Municipal property rates.
 - No change to Farmland, Non-Residential, Linear and Machinery Equipment Municipal property rates.
2. Council may hold a Special Meeting prior to the proposed mailing date of May 31, 2024, and direct Administration to prepare a tax bylaw based on different mill rates.

Recommendation

THAT Council give first, second and if unanimously approved, third reading of Bylaw 04/24, the Tax Rate Bylaw to authorize the proposed rates of taxation to be levied against assessable property within Flagstaff County in 2024.