

Bylaw 15602

2011 Property Tax and Supplementary Property Tax Bylaw

Purpose

To establish the 2011 tax rates to raise revenue to be used toward the payment of budgeted municipal expenditures and transfers and the provincial education tax requisitions for the Alberta School Foundation Fund and the Edmonton Catholic Separate School District No. 7 through the property tax, supplementary property tax and payment-in-lieu levies.

Readings

Bylaw 15602 is ready for three readings.

Each year, City Council must pass a property tax and supplementary property tax bylaw as part of the budget process to meet the requirements of the *Municipal Government Act* (MGA), R.S.A. 2000, c. M-26, sections 353, 354 and 369.

In addition to setting the rates for municipal purposes, this bylaw also establishes the rates for provincial education taxes.

If City Council wishes to give three readings during a single meeting, then prior to moving third reading, City Council must unanimously agree "That Bylaw 15602 be considered for third reading."

Three readings are required by April 29, 2011, in order to meet production deadlines and mail tax notices on May 20, 2011.

Report Summary

The attached bylaw, as required annually by the *Municipal Government Act*, establishes the municipal tax rates for the property and supplementary property tax levies, including provincial education taxes and the payment-in-lieu levies.

Previous Council/Committee Action

Previous Council actions are outlined in Attachment 2 of the April 27, 2011, Planning and Development Department report 2011PAT009.

Report

Bylaw 15602 sets the property tax rates for each of the assessment classes and sub-classes necessary to generate the municipal property tax levy approved in the City's 2011 budget.

Pursuant to 2011 Residential Assessment and Supplementary Assessment Sub-Class Bylaw 15569, approved on November 26, 2010, the residential assessment class has been divided into two sub-classes: residential and other residential.

The 2011 municipal tax rates reflect City Council's decision to apply education tax room of \$9 million in setting the 2011 property tax rates. This revenue is in addition to the 3.85% increase in municipal taxes previously approved in the budget process.

In addition, the tax rates for non-residential properties reflect the transfer of \$34.5 million from the business tax levy, based on City Council's decision to shift the business tax revenue to the non-residential property tax class over four years. This four-year phase out started in 2008 and is completed this

year with municipal business taxes being completely eliminated.

The 2011 approved operating budget reflects property tax revenue requirements totalling \$952.2 million. This amount includes real growth and the business tax transfer amount, and consists of \$921.1 million in tax levy and payments-in-lieu of \$31.1 million.

Corporate Outcomes

Ensure Edmonton's financial stability.

Budget/Financial Implications

The passage of this bylaw will allow the City to levy the 2011 property tax and property tax payments-in-lieu totalling \$952.2 million.

Attachments

1. Bylaw 15602
2. Previous Council Actions
3. Impacts of 2011 Municipal Tax Rates

Others Reviewing this Report

- D. H. Edey, General Manager, Corporate Services Department
- L. Rosen, Chief Financial Officer and Treasurer