

	COUNCIL POLICY	Policy No: CP-1042-22
		Approved By: Council
		Effective Date: November 21, 2022 Resolution No.: RCM-232-22 Last Reviewed Date: November 21, 2022
		Division: Corporate Services - Finance

PROPERTY TAX DISTRIBUTION POLICY

POLICY STATEMENT

The City of Spruce Grove is committed to fiscal sustainability and seeks to be equitable and transparent in the distribution of property taxation between ratepayers as well as the appropriate taxation of changes in Property Assessment.

1. PURPOSE

- 1.1 To ensure a consistent approach to the calculation and distribution of municipal property taxation that is equitable and transparent to all property owners.
- 1.2 To ensure a consistent approach to the calculation of municipal property taxation when considering market value fluctuations and growth pattern changes to Property Assessment.

2. DEFINITIONS

- 2.1 “City” means the municipal corporate of the City of Spruce Grove in the Province of Alberta.
- 2.2 “City Assessor” means the designated officer of the City appointed under the City Assessor Policy pursuant to the *Municipal Government Act*, RSA 2000 cM-26.
- 2.3 “Multi-family Residential” means properties that encompass four (4) or more residential units on one land parcel, under one ownership structure.
- 2.4 “Municipal Revenue Requirement” means the total annual budgeted revenue that is required to be collected from property taxpayers.
- 2.5 “Non-residential” means properties that are not intended for residential occupancy and are intended for institutional, commercial, or industrial uses.

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- 2.6 “Property Assessment” means the total value of property as determined through annual assessment by the City Assessor.
- 2.7 “Single-family Residential” means residential properties that are detached or semi-detached and are intended for occupancy by a single household.

3. RESPONSIBILITIES

3.1 Council must:

- (a) approve the annual Municipal Revenue Requirement for taxation through the budget process; and
- (b) approve annual property tax bylaws ensuring they reflect the budgeted Municipal Revenue Requirement and distribution provisions of this policy.

3.2 Administration must:

- (a) work with the Property Assessment provided by the City Assessor to calculate property tax rates; and
- (b) prepare property tax bylaws based on the budgeted Municipal Revenue Requirement distributed to property owners in accordance with this policy.

4. PROPERTY TAX DISTRIBUTION PROVISIONS

- 4.1 The Municipal Revenue Requirement will not be adjusted for Property Assessment changes resulting from market value fluctuation, whether increasing or decreasing. The annual property tax rate will be adjusted either upward or downward to negate the impact of these market valuation changes.

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- 4.2 The Municipal Revenue Requirement will be adjusted for Property Assessment changes resulting from new growth in the community or modifications to property.
- 4.3 When new growth in Property Assessment occurs within the taxation year, property tax will be levied through supplementary assessment when properties have been completed and approved for occupancy. Assessments for this purpose will be prepared twice annually in April and September.
- 4.4 Multi-family Residential properties and Non-residential properties shall bear a higher rate of taxation than Single-family Residential properties as these properties represent an adventure or concern in the nature of trade.
- 4.5 Multi-family Residential properties shall be taxed using a rate that is 1.40 times the Single-family Residential tax rate.
- 4.6 Non-residential properties shall be taxed using a rate that is 1.75 times the Single-family Residential tax rate by the year 2027. The City will increase the rate split by .025 in 2021, .055 in 2022, and by .058 in 2023 and each year thereafter until the rate split of 1.75 is achieved.
- 4.7 After 2027, the Non-residential split property tax rate shall be the higher of:
 - (a) 1.75 times the Single-family Residential tax rate; or
 - (b) The average of prior year Non-residential splits over residential rates of municipalities in the capital region of the province of Alberta.

5. RESCISSION OF POLICY CP-1033-21

- 5.1 CP-1033-21 – Property Tax Distribution Policy is hereby rescinded.

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RELATED DOCUMENTS

Annual Property Tax Bylaws
Supplementary Assessment Bylaw

APPROVAL

Mayor: Original signed by Acting Deputy Mayor Stevenson
Date: November 21, 2022