

**TOWN OF CANMORE**  
**AGENDA**  
Special Meeting of Council  
Council Chamber at the Canmore Civic Centre, 902 – 7 Avenue  
**Tuesday, May 21, 2019 at 9:00 a.m.**

Times are estimates only.

- 9:00           **A. CALL TO ORDER AND APPROVAL OF AGENDA**  
                  **1. Agenda for the May 21, 2019 Special Meeting of Council**
- B. PUBLIC HEARINGS**  
                  None
- C. DELEGATIONS**  
                  None
- D. APPROVAL OF MINUTES**  
                  None
- E. BUSINESS ARISING FROM THE MINUTES**  
                  None
- F. UNFINISHED BUSINESS**  
                  None
- 9:00 – 10:00   **G. BYLAW APPROVAL**  
                  **1. Property Tax Rate Bylaw 2019-19 and Supplementary Property Tax Bylaw 2019-20**  
                      Recommendation: that Council:  
                      (1) give first, second and third reading to Property Tax Bylaw 2019-19, and  
                      (2) give first, second, and third reading to Supplementary Property Tax Rate Bylaw 2019-20.
- H. NEW BUSINESS**  
                  None
- I. CORRESPONDENCE/INFORMATION**  
                  None
- J. REPORTS FROM ADMINISTRATION**  
                  None
- K. NOTICES OF MOTION**  
                  None
- L. IN CAMERA**  
                  None
- 10:00           **M. ADJOURNMENT**



# Request for Decision

**DATE OF MEETING:** May 21, 2019 **Agenda #:** G-1

**TO:** Council

**SUBJECT:** Property Tax Bylaw 2019-19 and Supplementary Property Tax Bylaw 2019-20

**SUBMITTED BY:** Chelsey Richardson, Manager of Finance

- RECOMMENDATION:**
- 1) That Council give first, second and third reading to Property Tax Bylaw 2019-19.
  - 2) That Council give first, second, and third reading to Supplementary Property Tax Rate Bylaw 2019-20.

## EXECUTIVE SUMMARY

Each year administration recommends municipal tax rates for the various residential sub-classes and non-residential properties based upon assessed property values, the budgeted tax requirement, professional judgment, and other direction provided by Council. In order to calculate taxes, a tax rate is established which reflects the amount of taxes to be paid for every \$1,000 of assessed property value. As part of this process, administration is recommending tax rates in accordance with the approved Property Tax Policy.

The proposed supplementary property tax rate bylaw authorizes administration to use the same mill rates for supplementary tax assessments in 2019 as are used for property tax calculations.

## RELEVANT COUNCIL DIRECTION, POLICY, OR BYLAWS

At the May 7, 2019 Council meeting, Council received a briefing report on the proposed 2019 property tax rates.

On December 18, 2018, Council approved the 2019-2020 Operating Budget via Resolution #276-2018. The 2019 municipal tax requirement is a total of \$24,494,292 in municipal tax revenue, including \$725,000 for Perpetual Affordable Housing (PAH), plus \$25,000 in supplemental property tax.

At its December 15, 2015 meeting, Council approved the Property Tax Policy via Resolution 364-2015.

## DISCUSSION

The Town of Canmore collects only enough property taxes to satisfy the previously approved budget requirements. This is done by first calculating how much of the total taxes are to be collected from residential property owners and how much from non-residential ones (the split). Then these amounts are divided by the total assessed value for each property classification in order to determine the rate of tax for each \$1,000 of assessed value. The tax rate is then applied to each property's assessment to determine the municipal taxes to be charged for that particular property.

The Town's Assessor has provided the assessment values used to calculate the proposed tax rates for 2019. The total taxable assessment base in 2019 is \$7.3B, an increase of \$716.9M (10.8%) over the previous year, broken down as follows:

- Real Growth  
(net new properties): + \$ 176.9M (+ \$149.4M Residential, +\$27.5M Non-residential)
- Market Growth  
(net increase to existing): + \$540.0M (+\$473.6M Residential, + \$66.4M Non-residential)  
\$ 716.9M

The 2019 municipal tax requirement is a total of \$24,494,292 in municipal tax revenue, including \$725,000 for Perpetual Affordable Housing (PAH), \$15.8M to be collected from residential properties and \$8.7M from non-residential ones. In addition, the Town is required to collect Provincial education tax, seniors housing requisition, and linear and industrial assessment requisitions on behalf of the Province and the Bow Valley Regional Housing Authority (BVRH).

Each year the Province sends a preliminary education property tax requisition for use when setting the annual tax rates. However, this year, the 2019 provincial budget will not be tabled until the fall, due to delays caused by the recent election, which includes the 2019 Education Property Tax requisition. With the budget not available until the fall, the Town will need to estimate a 2019 Education Property Tax requisition, in accordance with recommendations made by Alberta Urban Municipalities Association (AUMA). The estimated 2019 Education Property Tax requisition is \$18,484,551 based on historic Alberta Education property taxes and Canmore's share of the total based on assessment data. The split in the requisition between residential and non-residential is based on historic splits received from the Province, at 82 and 18% respectively. The estimated requisition is then adjusted for the prior year over-levies of \$35,111, resulting from differences of assessment and school tax requisition amount adjustments after the 2018 tax rates were set.

The Seniors Requisition for 2019 is determined by the BVRH. The 2019 requisition is \$931,718, net of corrections for 2018 over-levies of \$4,585. This is an increase of \$3,662 from the 2018 net requisition. As with education taxes, over and under levies of the Seniors Requisition are due to assessment changes made after the tax rates are set.

In compliance with the Property Tax Policy, the proposed property tax rates contained in Bylaw 2019-19, Property Tax Rate Bylaw (Attachment #1) were calculated on the following basis:

- 1) The residential/non-residential tax split will be 65/35 respectively; the split used last year and one that is still in line with comparator and neighbouring communities;
- 2) Properties classified as Tourist Home will be taxed at 2.9 times the residential tax rate;
- 3) Properties classified as Tourist Home – Personal Use will be taxed at a rate equal to the residential rate, and
- 4) Properties classified as Vacant Land – Residential will be taxed at a rate equal to the residential rate.

Properties are assessed and subsequently taxed based on their condition as at December 31 of the previous year, in this case 2018. During the tax year some properties under construction are completed, thus increasing their value. In order to collect property taxes on the improved value of these properties, the Town issues

supplementary assessment and tax notices to those properties completed before October 1. Attachment #2 contains the proposed Bylaw 2019-20 Supplementary Property Tax Rate Bylaw, which sets supplementary tax mill rates equal to the Bylaw 2019-19, Property Tax Rate Bylaw rates. The 2019 budget includes \$25,000 in supplementary tax.

**ANALYSIS OF ALTERNATIVES**

Council could resolve to use the tax stabilization reserve to offset tax increases, including municipal and/or education taxes. Administration is not recommending this option as:

- It is not good practice to fund reoccurring expenses from a non-reoccurring source such as reserves. Any draws in one year would either need to continue or tax increases implemented in subsequent years.
- The 2019 budget called for a 4.9% municipal property tax increase, net of \$400,000 of taxes from real growth. Preliminary calculations indicate that taxes from ‘real growth’ will be approximately \$604,000, reducing the net tax increase to 4.1%. The net tax increase is lower than budgeted, and any reduction in taxes this year would have to be made up in the following year, either through budget decreases or tax increases.

As the Education Tax requisition this year required an estimate, a different approach could have been used in determining the estimate and corresponding mill rates. Another approach considered was to use the current year assessment information, and to apply the prior year mill rates. This approach would result in a requisition of \$19,934,001, compared to the \$18,484,551 recommended above. This option would result in higher mill rates, but could better provide for potential increase in the provincial requisition amount, when it is received. It would also result in greater risk of the uncertainty of the estimate being borne by the taxpayer, whereas the recommended estimate shares a greater portion of the risk between the Town and the taxpayers.

**FINANCIAL IMPACTS**

A total of \$24,494,292 in municipal tax revenue, including \$725,000 for PAH, needs to be collected. This represents a \$1.5M (6.7%) increase over 2018, \$604,000 of which will be paid by real growth, which is \$204,000 more than budgeted.

The preliminary anticipated impact on municipal taxes only at an average assessment using these mill rates is:

Illustrative Example				
Assessment Percentage Increase	Assessment		Taxes	
	2018	2019	2018	2019
0%	\$625,000	\$625,000	\$1,570	\$1,510
5%	\$625,000	\$656,250	\$1,570	\$1,585
10%	\$625,000	\$687,500	\$1,570	\$1,661
15%	\$625,000	\$718,750	\$1,570	\$1,736
20%	\$625,000	\$750,000	\$1,570	\$1,812

While Council sets the municipal budget, and the resulting municipal property tax mill rates, the Property Tax Bylaw must include rates for the Seniors’ Requisition (100% of which stays in Canmore to fund seniors’

housing) and Provincial Education Taxes (only a portion of which funds education in Canmore). The anticipated impact of the seniors’ requisition, education, and total taxes **per \$100,000 of assessed value** is:

Classification	Impact per \$100,000 of Assessed Value			
	Municipal	Seniors’	Education	Total
Residential	\$242	\$13	\$243	\$497
Tourist Home	\$690	\$13	\$243	\$945
Vacant Serviced	\$242	\$13	\$243	\$497
Non-Residential	\$791	\$13	\$306	\$1,110
Machinery & Equipment and Electrical Generation*	\$791	\$13	N/A	\$804

\* These properties do not pay the education requisition.

In addition, linear and designated industrial properties will be assessed the Designated Industrial Property Tax requisition at a rate of \$7.86/\$100,000 of assessed value.

The 2019 budget for Supplementary Tax revenue is \$25,000, which can only be collected if a Supplementary Assessment and then Supplementary Property Tax Rate Bylaw is passed. Council passed the Supplementary Assessment Bylaw 2019-15 at its April 2 meeting. A Council that passes a bylaw for property tax must use the same rates if supplementary tax rates are to be imposed (MGA 369).

**STAKEHOLDER ENGAGEMENT**

None.

**ATTACHMENTS**

Attachment 1 – Bylaw 2019-19 Property Tax Rate Bylaw

Attachment 2 – Bylaw 2019-20 Supplementary Property Tax Rate Bylaw

**AUTHORIZATION**

Submitted by: Chelsey Richardson  
 Manager of Finance Date: May 6, 2019

Approved by: Therese Rogers  
 GM of Corporate Services Date: May 6, 2019

Approved by: Lisa de Soto  
 Chief Administrative Officer Date: May 8, 2019

**BYLAW 2019-19**

**A BYLAW OF THE TOWN OF CANMORE, IN THE PROVINCE OF ALBERTA,  
TO IMPOSE A TAX IN RESPECT OF PROPERTY IN THE TOWN OF CANMORE  
IN THE YEAR 2019**

**WHEREAS** the estimated municipal expenditures and transfers set out in the budget for the Town of Canmore for 2019 total \$53,061,189;

**AND WHEREAS** the estimated municipal revenues and transfers from all sources other than taxation is estimated at \$28,541,897, and the balance of \$24,519,292, which amount includes \$23,769,292 for General Municipal, \$25,000 for supplementary property tax, and \$725,000 for Perpetually Affordable Housing, is to be raised by general municipal taxation;

**AND WHEREAS** the requisitions are:

<b>Alberta School Foundation Fund (ASFF)</b>	<b>\$17,718,953</b>
Residential	\$14,488,368
Non-Residential	\$3,230,585
<b>Christ the Redeemer Catholic School Division (CRCSD)</b>	<b>\$730,487</b>
Residential	\$663,102
Non-Residential	\$67,385
<b>Bow Valley Regional Housing</b>	<b>\$931,718</b>
<b>Designated Industrial Property Tax Requisition</b>	<b>\$3,951</b>

**AND WHEREAS** the assessed value of all taxable property in the Town of Canmore, as shown on the assessment roll is:

Residential/Tourist Home - Personal Use	\$ 5,998,781,700
Tourist home	\$ 166,391,530
Vacant Serviced	\$ 72,064,200
Non-Residential	\$ 1,048,348,290
Machinery & Equipment	\$ 426,300
Linear (not incl. Electrical Generation)	\$ 38,087,910
Electrical Generation	\$ 10,491,940
<b>Total</b>	<b>\$ 7,334,591,870</b>

**NOW THEREFORE** the Council of the Town of Canmore, in the Province of Alberta, duly assembled, enacts as follows:

**1. TITLE**

1.1. This bylaw shall be known as the Property Tax Rate 2019 Bylaw

**2. AUTHORIZATION**

2.1. Council is authorized to impose a tax in respect of the property in Canmore to raise revenue toward the payment of:

a) The expenditures and transfers set out in the Town of Canmore budget, and

b) The requisitions.

2.2. Tax rates imposed under the bylaw are:

	Tax Levy	Assessment	Tax Rate (in mills)
<b>General Municipal</b>	<b>\$ 23,769,292</b>	<b>\$ 7,334,591,870</b>	
Residential/Tourist Home - Personal Use	\$ 14,142,534	\$ 5,998,781,700	2.35757
Tourist Home	\$ 1,137,610	\$ 166,391,530	6.83695
Vacant Serviced	\$ 169,896	\$ 72,064,200	2.35757
Non-Residential	\$ 8,236,479	\$ 1,086,436,200	7.58119
Machinery & Equipment incl. Electrical Generation	\$ 82,773	\$ 10,918,240	7.58119
<b>Alberta School Foundation Fund (ASFF)</b>	<b>\$ 17,718,953</b>	<b>\$ 7,019,633,505</b>	
Residential	\$ 14,488,368	\$ 5,964,265,505	2.42920
Non-Residential	\$ 3,230,585	\$ 1,055,368,000	3.06110
<b>Christ the Redeemer Catholic School Division (CRCSD)</b>	<b>\$ 730,487</b>	<b>\$ 294,985,185</b>	
Residential	\$ 663,102	\$ 272,971,925	2.42920
Non-Residential	\$ 67,385	\$ 22,013,260	3.06110
<b>Perpetually Affordable Housing (PAH)</b>	<b>\$ 725,000</b>	<b>\$ 7,336,120,470</b>	
Residential	\$ 362,500	\$ 6,237,887,330	0.05811
Non-Residential	\$ 362,500	\$ 1,098,233,140	0.33008
<b>Bow Valley Regional Housing</b>	<b>\$ 931,718</b>	<b>\$ 7,327,065,530</b>	0.12716
<b>Designated Industrial Property Tax Requisition</b>	<b>\$ 3,951</b>	<b>\$ 50,268,850</b>	0.07860

3. ENACTMENT/TRANSITION

- 3.1. If any clause in this bylaw is found to be invalid, it shall be severed from the remainder of the bylaw and shall not invalidate the whole bylaw.
- 3.2. Bylaw 2018-09 is repealed.
- 3.3. This bylaw comes into force on the date it is passed.

FIRST READING:  
 SECOND READING:  
 THIRD READING:

Approved on behalf of the Town of Canmore:

\_\_\_\_\_  
 John Borrowman  
 Mayor

\_\_\_\_\_  
 Cheryl Hyde  
 Municipal Clerk

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Date

Bylaw approved by: \_\_\_\_\_

**BYLAW 2019-20**

**A BYLAW OF THE TOWN OF CANMORE, IN THE PROVINCE OF ALBERTA,  
TO IMPOSE A SUPPLEMENTARY TAX IN 2019**

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The Council of the Town of Canmore, in the Province of Alberta, duly assembled, enacts as follows:

**1: TITLE**

1.1. This bylaw shall be known as the Supplementary Tax Rate 2019 Bylaw.

**2: SUPPLEMENTARY TAX**

2.1. Council is authorized to impose a supplementary property tax, in accordance with Municipal Government Act Section 369, on all properties for which a supplementary assessment has been prepared in accordance with Supplementary Assessment 2019 Bylaw 2019-15.

2.2. The supplementary property tax rates for 2019 are the same as the property tax rates set by the Property Tax Rate 2019 Bylaw.

**3: ENACTMENT/TRANSITION**

3.1. If any clause in this bylaw is found to be invalid, it shall be severed from the remainder of the bylaw and shall not invalidate the whole bylaw.

3.2. Bylaw 2018-10 is repealed.

3.3. This bylaw comes into force on the date it is passed.

FIRST READING:

SECOND READING:

THIRD READING:

Approved on behalf of the Town of Canmore:

\_\_\_\_\_  
John Borrowman  
Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Cheryl Hyde  
Municipal Clerk

\_\_\_\_\_  
Date