

2022 Property Tax Related Bylaws

RECOMMENDATION(S):

That Council:

1. Give three readings to Proposed 2022 Property Tax Bylaw 10M2022 (Attachment 2);
2. Give three readings to Proposed 2022 Machinery and Equipment Exemption Bylaw 11M2022 (Attachment 3); and
3. Give three readings to Proposed 2022 Rivers District Community Revitalization Levy Rate Bylaw 12M2022 (Attachment 4).

HIGHLIGHTS

- Council approval is required for the 2022 property tax related bylaws and the 2022 Rivers District Community Revitalization Levy Rate Bylaw in order to levy and collect the property taxes used to fund the range of services across The City that Council approved and adopted in the 2022 Adjustments to the One Calgary 2019-2022 Service Plans and Budgets, as well as to raise revenue to be used toward the payment of infrastructure and other costs associated with redevelopment of property in the Rivers District.
- Council approval of the three 2022 property tax bylaws will allow for the timely production of tax bills anticipated to be mailed the week of 2022 May 24.
- The City's continued response to COVID-19 increases the importance of property taxes to maintain essential services and cashflow. Other revenue streams are expected to be below budget, but demand for most City services remains stable or has increased including essential services and those that will support the most vulnerable members of our community.
- The City is also legally required to collect property tax on behalf of the Provincial Government and is required to pay the provincial requisition quarterly.
- Average impacts by property class and illustrative examples of impacts to select taxpayers with different property types are included as Attachment 7.
- Strategic Alignment to Council's Citizen Priorities: A well-run city
- Background and Previous Council Direction is included as Attachment 1.

DISCUSSION

- Proposed bylaw 10M2022 reflects the approved 2022 Adjustments to the One Calgary 2019-2022 Service Plans and Budgets and the 2022 provincial requisition for Calgary.
- The approved 2022 Adjustments (C2021-1436) provided for an overall municipal tax rate increase of 3.87 per cent.
- In conjunction with the Financial Reserves Optimization SAVE business case included in the 2022 Adjustments, Administration identified a one-time savings of \$6.3 million from unused 2021 tax loss provision that could be applied to reduce the 2022 provision, effectively bringing the overall municipal tax rate increase down from 3.87 to 3.50 per cent before Business Tax Consolidation. As a result, the residential net tax rate increase is 3.34 per cent (down from 3.41 per cent) and the non-residential net tax rate increase

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before Business Tax Consolidation is 3.74 per cent (2.83 per cent after Business Tax Consolidation), down from 4.51 per cent.

- Proposed bylaw 11M2022 would continue to exempt machinery and equipment from property taxation.
- Proposed bylaw 12M2022 would establish tax rates on the incremental assessed values of property in the Rivers District that will generate the Community Revitalization Levy.
- Approval of these bylaws would allow The City to fund services approved in the 2022 Adjustments, collect property tax on behalf of the Province, and raise revenue to be used toward the payment of infrastructure and other costs associated with redevelopment of property in the Rivers District.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- Public Engagement was undertaken
- Public Communication or Engagement was not required
- Public/Stakeholders were informed
- Stakeholder dialogue/relations were undertaken

Public engagement as well as stakeholder dialogue were undertaken as part of the 2022 Adjustment process to determine the overall tax rate for 2022. Moreover, all property owners in Calgary have received their 2022 Property Assessment Notices which gave them their 2022 property assessed values and notification that tax billing will occur in May.

IMPLICATIONS

Social

These bylaws allow The City to raise the tax revenue that supports the funding of services and social programs for citizens.

Environmental

These bylaws allow The City to raise the tax revenue that supports the funding of environmental programs in The City.

Economic

Approving these bylaws contributes to The City's long-term economic prospects as it facilitates the funding of service delivery to citizens. Providing quality services helps attract and retain a talented workforce, thus advancing The City's goal to make Calgary a great place to both live and work.

Service and Financial Implications

Increase in rates or fees

The proposed increase in rates reflects Council's approval of the 2022 Adjustments to the One Calgary 2019-2022 Service Plans and Budgets.

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There are direct service and financial implications as a result of approving these bylaws as it ensures that The City can continue providing essential services to Calgarians. The estimated funding of \$2.05 billion generated through the Property Tax Bylaw will meet the 2022 operating budget requirements that align with the approved 2022 Adjustments to the One Calgary 2019-2022 Service Plans and Budgets (C2021-1436), as amended. Property tax revenues are also part of the source of capital funding.

RISK

Any delay in passing the 2022 Property Tax Bylaw may affect the mailing date of property tax bills, which in turn would change the customary property tax payment cycle the public and business communities have become accustomed to. Until the 2022 Property Tax Bylaw is passed, The City of Calgary cannot meet its 2022 municipal financing obligations.

ATTACHMENT(S)

1. Attachment 1 - Background and Previous Council Direction
2. Attachment 2 - Proposed 2022 Property Tax Bylaw 10M2022
3. Attachment 3 - Proposed 2022 Machinery and Equipment Exemption Bylaw 11M2022
4. Attachment 4 - Proposed 2022 Rivers District Community Revitalization Levy Rate Bylaw 12M2022
5. Attachment 5 - 2022 Municipal Property Tax Summary
6. Attachment 6 - 2022 Provincial Property Tax Summary
7. Attachment 7 - Analysis and Illustrative Examples
8. Attachment 8 – Presentation 2022 Property Tax Related Bylaws C2022-0317

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform