

Previous Council Direction

Context

Council directed a Financial Task Force (FTF) be struck to provide recommendations on solutions to address the challenges of the current municipal property assessment and tax system. On 2020 June 29, Council accepted thirty-five recommendations that contribute to achieving success (C2020-0742). On 2020 July 27, Council directed Administration to implement the recommendations (C2020-0815), including those pertaining to property tax policy, like 19, 20, 24, 6, 2 and 3).

There have been many processes and decisions over the years that form the basis of a de facto tax policy, however, The City of Calgary does not currently have a Council Policy outlining our overall policy related to property taxation. Previous processes and decisions include direction detailed below related to business tax consolidation, decisions in individual years that result in differential growth rates in residential and non-residential property taxes, and specific Council direction to set specific property tax revenue shares.

Previous Council Direction

On 2012 April 09 (PFC2012-35), Council directed that both during and after the consolidation process unless otherwise stated, the effect of Council's zero per cent business tax rate increase policy would continue to apply to the business tax amount transferred to the non-residential property tax.

On 2019 May 14 (PFC2019-0595), Council received a report for information indicating that, as directed through NM2011-20, the zero per cent business tax increase policy will continue in the consolidated tax environment. Starting in 2019, the "business tax amount" would be adjusted based on non-residential property assessment growth rather than business assessment growth. The amount will continue to be subject to a zero per cent business tax rate increase equivalent.

On 2019 April 01 (C2019-0352), Council adopted eight recommendations including that Administration prepare two 2019 Property Tax Bylaws (one shifting tax responsibility using tax room, and one setting a 49/51 residential to non-residential tax share) and that Administration further refine and update the proposed roles and responsibilities of the Financial Task Force and bring an updated Terms of Reference for the Financial Task Force for discussion and consideration of the Priorities and Finance Committee no later than June 2019.

On 2019 April 08 (C2019-0382), Council approved a property tax bylaw that used tax room to effectively produce a residential municipal tax rate increase of 6.67% and a non-residential municipal tax rate decrease of 1.77% in 2019.

On 2019 October 21 (C2019-1323), Council approved certain recommendations of the Tax Shift Assessment Working Group, including that Council make a values-based decision on the proportional share of operating budget responsibility between residential and non-residential property tax classes (1a), and prior to budget setting in November 2019, Council explore the most equitable, appropriate and sustainable proportional share of operating budget between residential and non-residential tax assessment classes for 2020 (2).

On 2019 November 18 (PFC2019-1394), Council directed that Council use the Tax Shift Assessment Working Group (TSAWG) illustrative examples presented in Attachment 1 (Report PFC2019-1394) as reference material

in their discussion and development of Council recommendations on the proportion of property taxes between residential and non-residential properties for 2020, during deliberations of the week of 2019 November 25-29.

On 2019 November 29 (C2019-1052), Council approved the Adjustments to the One Calgary Service Plans and Budgets, including that Council approve the tax proportion responsibility as 52% residential and 48% non-residential.

On 2020 April 06 (C2020-0382), Council approved a 2020 Property Tax Bylaw that reflected property tax revenue shares of 52% residential and 48% non-residential.

On 2020 June 29 (C2020-0742), Council accepted the report and recommendations of the Financial Task Force.

On 2020 July 27 (C2020-0815), Council directed Administration to implement the recommendations of the Financial Task Force, including recommendation 19 related to the split of property tax responsibility between residential and non-residential taxpayers.

On 2021 March 22 (C2021-0329), Council approved a 2021 Property Tax Bylaw that reflected property tax revenue shares of 52% residential and 48% non-residential.

On 2022 March 29 (C2022-0317), Council approved a 2022 Property Tax Bylaw that reflected property tax revenue shares of 52% residential and 48% non-residential.