

2023 Property Tax Related Bylaws

RECOMMENDATION(S):

That Council give three readings to Proposed Bylaw 13M2023, Proposed Bylaw 14M2023, and Proposed Bylaw 15M2023.

HIGHLIGHTS

- City Council approved and adopted the 2023-2026 Service Plans and Budgets on 2022 November 8. The bylaws attached enable the decisions that have been made, plus the Provincial Property Tax decisions that have been made by the Province, to be billed and collected for 2023.
- Council approval is required for the 2023 property tax related bylaws and the 2023 Rivers District Community Revitalization Levy Rate Bylaw to levy and collect the property taxes used to fund the range of services across The City 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 will allow for the timely production of tax bills anticipated to be mailed the week of 2023 May 22.
- The City is 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, changes to monthly Tax Instalment Payment Plan (TIPP) payments for July to December and illustrative examples of impacts to select taxpayers with different property types are included as Attachment 7.
- Background and Previous Council Direction is included as Attachment 1

DISCUSSION

- Proposed bylaw 13M2023 reflects the previously approved 2023-2026 Service Plans and Budgets and the 2023 provincial requisition for Calgary.
- The approved 2023-2026 Service Plans and Budgets (C2022-1051) provided for a municipal property tax budget of \$2,146.8 million and after bylaw adjustments, the revenue to be collected through the bylaw is \$2,170.6 million per attachment 5.
- As per the tax share decision made on 2023 February 14 (C2023-0109), 52% or \$1,122.1 million is to be collected from residential/farmland and 48% or \$1,048.5 million from non-residential taxpayers.
- The City's share of the 2023 provincial property tax requisition is \$786.2 million (\$781.7 million in 2022) and after bylaw adjustments, the revenue to be collected through the bylaw is \$782.4 million as shown in attachment 6, of which \$578.7 million is to be collected from residential and \$203.5 from non-residential taxpayers.
- The total municipal and provincial amount to be raised by the 2023 Property Tax Bylaw is \$2,953.0 million (\$2,170.6 million municipal + \$782.4 million provincial).
- Council approved the amendment to the Tax Instalment Payment Plan (TIPP) bylaw 50M2022 which enabled greater stability in TIPP payments by spreading them more evenly over the course of a year. As a result, the monthly TIPP payment for July to December will change from \$303 to \$305 for a typical residential home, \$145 to \$135 for a typical single residential condo and from \$9,468 to \$9,296 for non-residential property owner of a hypothetical \$5 million property.

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- Proposed bylaw 14M2023 is needed to establish tax rates on the incremental assessed values of property in the Rivers District that will generate the Community Revitalization Levy.
- Proposed bylaw 15M2023 is needed to continue to exempt machinery and equipment from property taxation.
- Approval of these bylaws allows The City to fund services approved in the 2023-2026 Service Plans and Budgets, 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.

EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | |
|---|---|
| <input checked="" type="checkbox"/> Public engagement was undertaken | <input checked="" type="checkbox"/> Dialogue with interested parties was undertaken |
| <input checked="" type="checkbox"/> Public/interested parties were informed | <input type="checkbox"/> Public communication or engagement was not required |

Public engagement as well as interested parties dialogue were undertaken as part of the 2023-2026 Service Plans and Budgets process to determine the overall tax rate for 2023. Moreover, all property owners in Calgary have received their 2023 Property Assessment Notices which gave them their 2023 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. Residential property tax increases' social impact are partially mitigated for homeowners by the Government of Alberta's Seniors Property Tax Deferral Program and The City's Property Tax Assistance Program.

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

Tax-supported funding

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 \$2.17 billion generated through the Property Tax Bylaw will meet the 2023 operating

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budget requirements contained in the approved 2023-2026 Service Plans and Budgets (C2022-1051). Property tax revenues are also part of the source of capital funding.

RISK

Any delay in passing the 2023 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 2023 Property Tax Bylaw is passed, The City of Calgary cannot meet its 2023 municipal financial obligations.

ATTACHMENT(S)

1. Attachment 1 - Background and Previous Council Direction
2. Attachment 2 - Proposed 2023 Property Tax Bylaw 13M2023
3. Attachment 3 - Proposed 2023 Rivers District Community Revitalization Levy Rate Bylaw 14M2023
4. Attachment 4 - Proposed 2023 Machinery and Equipment Exemption Bylaw 15M2023
5. Attachment 5 - 2023 Municipal Property Tax Summary
6. Attachment 6 - 2023 Provincial Property Tax Summary
7. Attachment 7 - Analysis and Illustrative Examples
8. Attachment 8 – Presentation 2023 Property Tax Related Bylaws C2023-0247

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
David Duckworth, City Manager	City Manager's Office	Inform
Carla Male, Chief Financial Officer and GM	Corporate Planning & Financial Services	Approve
Les Tochor, Director	Corporate Planning & Financial Services	Approve
Eddie Lee, Director	Corporate Planning & Financial Services	Consult