

CITY OF CALGARY
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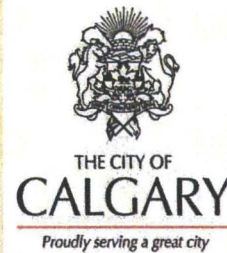
MAR 31 2014

ITEM: CPS2014-0216
Admin Power Point
CITY CLERK'S DEPARTMENT

Chief Financial Officer's Department

2014 Property Tax Related Bylaws Report 2014-0216

Regular Meeting of Council
2014 March 31



2014 Property Tax Related Bylaws

- Original approved tax rate increase 6.1%
- 2014 Business Plans and Budget deliberations Council lowered tax rate increase to 5%
 - reduction in Council and exempt staff salary increases and
 - a \$9.3 million budget reduction in all departments, except for the Calgary Police Service.
- January 2014, Council approved the 2014 Assessment Rolls – Flood Update Report to use \$2.4M from Tax Loss Provision Reserve. This reduces the tax rate increase from 5.0% to 4.8%.

2014 Property Tax Related Bylaws

Provincial Property Tax Requisition			
	Residential	Non-residential (\$, millions)	Total
2013	\$ 435.1	\$ 197.0	\$ 632.1
2014	\$ 437.0	\$ 228.7	\$ 665.7
Increase	\$ 1.9	\$ 31.7	\$ 33.6
	0.4%	16.1%	5.3%

Calgary's share of Total Provincial Property Tax Requisition			
	Residential	Non-residential	Total
2013	34.3%	25.6%	31.0%
2014	34.3%	27.9%	31.8%

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2014 Property Tax Related Bylaws

Option 1 - Do nothing - Municipal tax rate @ 4.8%			
	Residential	Non-residential	
Municipal	4.8%	4.8%	
Provincial	-1.5%	14.2%	
Combined	2.3%	7.0%	
Based on Median Residential Property			
Tax Increase - Annual / Month			
\$59 / \$4.90			
Option 2 - Take only the Residential tax room and leave Non-Residential higher			
	Residential	Non-residential	Total tax room
Municipal	9.0%	4.8%	
Provincial	-1.5%	14.2%	
Combined	4.8%	7.0%	
Tax Room	\$27.6M	\$0	\$27.6 million
Based on Median Residential Property			
Tax Increase - Annual / Month			
\$123 / \$10.25			
Option 3 - Report to Council on 2014 March 31 - Take both tax rooms - combined tax rate @ 4.8%			
	Residential	Non-residential	Total tax room
Municipal	9.0%	2.0%	
Provincial	-1.5%	14.2%	
Combined	4.8%	4.8%	
Tax Room	\$27.6M	(\$17.8M)	\$9.8 million
Based on Median Residential Property			
Tax Increase - Annual / Month			
\$123 / \$10.25			

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2014 Property Tax Related Bylaws

Tax Rate (Revenue Neutral) vs. Mill Rate Approach

	Option 3 - Take both residential and non - residential tax room	
	+\$27.6M Residential	-\$17.8M Non Residential
2013 Tax Rate	0.0037968	0.0109913
Revenue Neutral	0.0035754	0.0098967
2014 Tax Rate	0.0038965	0.0100918
Tax Rate (Revenue Neutral) Approach	9.0%	2.0%
Mill Rate Approach	2.6%	-8.2%

Note : Before Business Tax Consolidation

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2014 Property Tax Related Bylaws

Recommendations

That Council:

- 1) Give three readings to the proposed Property Tax Bylaw 14M2014 (Attachment 4), for a combined property tax increase of 4.8% for residential (9.0% for municipal purposes and -1.5% for provincial purposes) and 4.8% for non residential properties before business tax consolidation (2.0% for municipal purposes and 14.2% for provincial purposes);
- 2) Give three readings to the proposed Machinery and Equipment Property Tax Exemption Bylaw 15M2014 (Attachment 5);
- 3) Give three readings to the proposed Rivers Community Revitalization Levy Rate Bylaw 16M2014 (Attachment 6);
- 4) Direct Administration to transfer \$9.8 million additional annual property tax room to the Lifecycle Maintenance and Upgrade Reserve;
- 5) Receive for information Reductions per 2014 Budget Adjustments Deliberations (Attachment 7) and approve a reduction of 18 FTEs.

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