

Corporate Planning & Financial Services Report to
Regular Meeting of Council
2025 March 18

ISC: UNRESTRICTED
C2025-0213

2025 Property Tax Related Bylaws

PURPOSE

The purpose of this report is to seek council's approval of the 2025 property tax related bylaws and the 2025 Rivers District Community Revitalization Levy Rate bylaw so The City of Calgary can meet its 2025 municipal financial obligations as outlined in the approved Service Plans & Budgets.

PREVIOUS COUNCIL DIRECTION

In 2022 November, Council approved the 2023-2026 Service Plans and Budgets (C2022-1051).

In 2023 November, Council approved to account for differential in physical growth between residential and non-residential and shift 1 per cent tax share from non-residential to residential for 2024-2026 (C2023-1148).

In 2024 November, Council approved the Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets within the previously approved tax increase to existing taxpayers of 3.6 per cent in 2025. Council approved a \$16 million increase to the 2025 property tax revenue budget due to higher than projected physical growth (C2024-1097).

Further details of previous Council direction are included as Attachment 1.

RECOMMENDATION(S):

Administration recommends that Council:

1. Give three readings to:
 - a) The proposed 2025 Property Tax Bylaw 13M2025 (Attachment 2).
 - b) The proposed 2025 Machinery and Equipment Exemption Bylaw 14M2025 (Attachment 3); and
 - c) The proposed 2025 Rivers District Community Revitalization Levy Rate Bylaw 15M2025 (Attachment 4).

CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS

Acting General Manager, Les Tochor, concurs with this report.

HIGHLIGHTS

- There are two parts to a property taxpayer's tax bill: The City's municipal portion and the Provincial portion.
- The municipal portion adheres to City Council's direction.
- The Provincial Property Tax decisions were made by the Province and communicated to The City on 2025 February 27.
- With both parts of the tax to be billed and collected for 2025 finalized, the bylaws attached enable the decisions that have been made by The City and by the Province.

2025 Property Tax Related Bylaws

- Council approval is required for the 2025 property tax related bylaws and the 2025 Rivers District Community Revitalization Levy Rate Bylaw to collect the property taxes to fund City services 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 2025 May 12.
- 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 and illustrative examples of impacts to select taxpayers with different property types are included as Attachment 7.

DISCUSSION

- Proposed bylaw 13M2025 reflects the approved Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets and the 2025 provincial requisition for Calgary.
- Through the Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets (C2024-1097 Council approved a municipal property tax revenue budget of \$2,435.2 million. As shown in Attachment 5, after bylaw adjustments the revenue to be collected through the bylaw is \$2,442.7 million.
- As per the 2023 November (C2023-1148) decision, the revenue split between residential and non-residential property taxes accounts for the differential in physical growth which resulted in more growth allocated to residential than non-residential. In addition, Council approved a 1 per cent tax share shift from non-residential to residential each year from 2024 to 2026. As a result, for 2025 54.5 per cent or \$1,327.9 million is to be collected from residential/farmland and 45.5 per cent or \$1,107.3 million from non-residential taxpayers.
- The City's share of the 2025 provincial property tax requisition is \$1,035.9 million, an increase of \$154.3 million from 2024. As shown in Attachment 6, after bylaw adjustments the revenue to be collected through the bylaw is \$1,025.1 million, of which \$789.3 million is to be collected from residential/farmland and \$235.8 million from non-residential taxpayers.
- The total municipal and provincial amount to be raised by the 2025 Property Tax Bylaw is \$3,467.8 million (\$2,442.7 million municipal + \$1,025.1 million provincial).
- Proposed bylaw 14M2025 is needed to continue to exempt machinery and equipment from property taxation.
- Proposed bylaw 15M2025 is needed to establish tax rates on the incremental assessed values of properties in the Rivers District that will generate the Community Revitalization Levy.
- Approval of these bylaws allows The City to fund services approved in the 2025 Service Plans and Budgets (C2024-1097), 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.
- The final municipal tax rates are of 0.0038706 Residential and 0.0179731 Non-Residential are a direct result of Council's approved property tax revenue budget and the 2025 taxable assessments.
- The final tax ratio is: 4.64 (Non-Residential to Residential)

2025 Property Tax Related Bylaws

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 Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets process to determine the overall tax revenue budget for 2025. Moreover, all property owners in Calgary have received their 2025 Property Assessment Notices which gave them their 2025 property assessed values, access to our tax calculator to estimate tax changes, and notification that tax billing will occur in the spring.

IMPLICATIONS

Social

These bylaws allow The City to raise the tax revenue that supports the funding of services and social programs for Calgarians. Residential property tax increases are partially mitigated 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 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 Calgarians. Providing quality services helps attract and retain 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 from approving these bylaws as it ensures that The City can continue providing essential services to Calgarians. The estimated funding of \$2,442.7 million generated through the Property Tax Bylaw will meet the 2025 operating budget requirements contained in the approved Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets (C2024-1097). Property tax revenues are also one of the funding sources for capital projects.

RISK

Any delay in passing the 2025 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. If the 2025 Property Tax Bylaw is not passed, The City of Calgary cannot meet its 2025 municipal financial obligations.

**Corporate Planning & Financial Services Report to
Regular Meeting of Council
2025 March 18**

**ISC: UNRESTRICTED
C2025-0213**

2025 Property Tax Related Bylaws

ATTACHMENT(S)

1. Attachment 1 - Background and Previous Council Direction
2. Attachment 2 - Proposed 2025 Property Tax Bylaw 13M2025
3. Attachment 3 - Proposed 2025 Machinery and Equipment Exemption Bylaw 14M2025
4. Attachment 4 - Proposed 2025 Rivers District Community Revitalization Levy Rate Bylaw 15M2025
5. Attachment 5 - 2025 Municipal Property Tax Summary
6. Attachment 6 - 2025 Provincial Property Tax Summary
7. Attachment 7 - Analysis and Illustrative Examples
8. Attachment 8 - Presentation 2025 Property Tax Related Bylaws C2025-0213

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
David Duckworth, Chief Administrative Officer	City Manager's Office	Inform
Les Tochor, Acting Chief Financial Officer and GM	Corporate Planning & Financial Services	Approve
Aaron Brown, Acting Deputy CFO & City Treasurer	Corporate Planning & Financial Services	Approve
Eddie Lee, Director and City Assessor	Corporate Planning & Financial Services	Inform

Author: Corporate Budget Office, Finance