

CITY OF FORT SASKATCHEWAN

2015 Supplementary Assessment Bylaw C6-15

Recommendation:

1. That Council give first reading to Bylaw C6-15, which authorizes the preparation of supplementary assessments for improvements within the municipality.
2. That Council give second reading to Bylaw C6-15, which authorizes the preparation of supplementary assessments for improvements within the municipality.
3. That Council provide unanimous consent to proceed with third and final reading to Bylaw C6-15, which authorizes the preparation of supplementary assessments for improvements within the municipality.
4. That Council give third reading to Bylaw C6-15, which authorizes the preparation of supplementary assessments for improvements within the municipality.

Purpose:

The purpose of this report is to present Council with information on the Supplementary Assessment Bylaw C6-15, which authorizes the preparation of supplementary assessments for improvements within the municipality, and to recommend that three readings of the bylaw be given.

Background:

The *Municipal Government Act* (MGA) requires a supplementary assessment bylaw to be passed annually if a municipality determines that a supplementary assessment on new improvements is warranted. A supplementary assessment bylaw applies only to the year in which it is passed.

The MGA requires municipalities to prepare assessments on properties as of December 31st of the year prior to the year in which the tax is imposed. For example, in 2014 property taxes calculated in May were based on property assessments as of December 31, 2013. With a supplementary assessment bylaw, the municipality can conduct a second assessment to cover improvements constructed during the year and levy a tax based on those improvements. The supplementary assessment is conducted during the fall of the year, which enables the City to collect taxes on improvements constructed up until that time. Without a supplementary assessment, improvements that are constructed in 2015 would not be taxed until 2016. This places an unfair burden on all of the other taxpayers in 2015, as the assessment base utilized in calculating the tax rate would be smaller than if a supplementary assessment were in place.

A supplementary assessment bylaw authorizes the municipality to assess and tax all new improvements (other than linear) based on the number of months that they are completed, occupied, or begin to operate. Improvements completed, occupied, or operating in August of 2015 would receive a supplementary assessment/tax notice in 2015, in addition to the regular assessment/tax notice. The supplementary assessment will reflect the value of the improvement pro-rated for the number of months that the improvement is completed, occupied, or operating.

In 2014, \$168,952 in tax was levied through the supplementary assessment, broken down as follows:

2014 Supplementary Assessment Revenue:

Class	Amount
Residential	\$111,236
Commercial	\$14,623
Industrial	\$13,078
Machinery & Equipment	<u>\$30,015</u>
Total	\$168,952

Supplementary assessment provides equitable treatment of property owners, as the current year taxes on new improvements are pro-rated for the period of the year that the improvements are completed or occupied. Meeting the revenue requirement for the municipality is shared equitably by property owners who have existing property improvements at the beginning of the tax year and property owners who construct improvements during the tax year.

Plans/Standards/Legislation:

Supplementary Assessment Bylaw C6-15 meets one of the priorities under the Community Sustainability Plan, "Governance" – Municipal Revenue Mix.

"Monitoring the size and mix of municipal revenue sources helps indicate whether municipal revenue generation policies are achieving required revenue in a fair and efficient way."

Financial Implications:

Projected tax revenue to be generated from supplementary assessment will be incorporated into the tax rate calculation in April. Based on current 2015 supplemental assessment estimates of \$29,000,000 the revenue to be generated using the 2014 tax rate would be approximately \$163,000. This amount was included as a revenue source as part of the approved 2015 Budget.

Internal Impacts:

Not applicable.

Alternatives:

1. That Council give three readings to Bylaw C6-15, which authorizes the preparation of supplementary assessments for improvements within the municipality.
2. That Council not give three readings to Bylaw C6-15, which authorizes the preparation of supplementary assessments for improvements within the municipality, and advise how they wish to proceed.

Attachments:

Bylaw C6-15, 2015 Supplementary Assessment

File No.:

Prepared by:	Grace Pesklevis Tax Accounting Clerk	Date: January 27, 2015
Approved by:	Susan Morrissey, CGA Director, Finance	Date: February 2, 2015
Reviewed by:	Kelly Kloss City Manager	Date: February 2, 2015
Submitted to:	City Council	Date: February 10, 2015