



CITY OF  
FORT SASKATCHEWAN

**Request for Decision  
Regular Council Meeting – May 14, 2024**

**2024 Property Tax Bylaw C8-24**

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**Motion:**

1. That Council give first reading to Bylaw C8-24, providing for the collection of the 2024 property taxes.
2. That Council give second reading to Bylaw C8-24, providing for the collection of the 2024 property taxes.
3. That Council provide unanimous consent to proceed with the third and final reading of Bylaw C8-24, providing for the collection of the 2024 property taxes.
4. That Council give third reading to Bylaw C8-24, providing for the collection of the 2024 property taxes.

**Purpose:**

The purpose of this report is to establish the 2024 property tax rates in accordance with [FIN-027-C](#) Property Tax Policy. The property tax revenue raised will be used to pay budgeted municipal expenditures, the Heartland Housing Foundation, provincial education tax and designated industrial property requisitions.

**Background:**

***Municipal Property Taxes***

On [December 12, 2023](#), Council approved the 2024 Budget for municipal purposes within Fort Saskatchewan. This budget included an estimated \$799,000 in property tax revenue attributed to growth in the property assessments. Additionally, it anticipated a 4.2% increase in overall property tax revenue, exclusive of growth revenue. Following the finalization of the property assessment, the City will realize \$519,902 of additional growth revenue, surpassing the original growth estimate. The overall property tax revenue increase of 4.2% will be maintained.

After the 2024 Budget was approved in December 2023, adjustments were made to both the Operating Budget (decrease of \$95,200) and the Capital Budget (reduction of \$8,800,000). These adjustments are as follows:

Operating Budget Adjustments:

- Inclusion of an Industrial Competitiveness Strategy and Toolset (Implementation Plan) – On December 12, 2023, Council approved an [Implementation Plan for the Industrial Competitiveness Strategy](#), including \$30,000 for the purpose of creating incentive programs, funded through the Municipal Operating Projects Reserve.

- Inclusion of a Historical Impact Assessment (\$100,000) funded by the Financial Stabilization and Contingency Reserve.
- Removal of the Alberta Industrial Heartland Industrial Process Water (\$200,000) reduced the transfer from reserves.

Capital Budget Adjustments:

- Removal of the Veterans Way Corridor Widening (\$5,120,000) and Pedestrian Crossing North (\$3,680,000) projects.

For details on all adjustments made to the 2024 Operating and Capital Budgets, please refer to Appendix D.

***Requisitions***

In addition to collecting property taxes for municipal purposes, the City also collects property taxes on behalf of the Province for education and designated industrial properties. The City also collects the Heartland Housing Foundation requisitions. The amounts that the City collects for these organizations are as follows:

1. Province of Alberta – Education Taxes

The requisition of \$15,562,086 (2023 – \$14,690,869) includes public and separate education taxes and an under-levy of \$29,987 due to assessment changes throughout 2023 as a result of assessment complaints. Of the \$15,562,086 requisition:

- 1) \$10,602,556 (68%) is collected from residential properties; and
- 2) \$4,959,530 (32%) is collected from non-residential properties

The Province determines the allocation of the education requisition between residential and non-residential properties based on an equalized assessment. Electric power generation, machinery and equipment, and housing for senior citizens are exempt from education taxes.

2. Province of Alberta – Designated Industrial Properties (DIP)

The requisition of \$150,405 (2023 - \$143,181) includes the costs incurred by the Provincial assessor's office to prepare the assessment for designated industrial properties. The Province determines the requisition's uniform tax rate. This requisition is only applied to and paid by the designated industrial property owners to reimburse the Province.

3. Heartland Housing Foundation (HHF)

The requisition of \$705,313 (2023 - \$628,918) includes an over-levy of \$1,064 due to supplementary assessment for 2023. The HHF requisition provides revenue for a portion of their 2024 operating requirements. The requisition is collected from both residential and non-residential properties, excluding Provincially-owned properties subject to grants in place of taxes and other exempt properties.

**Summary Analysis:**

***Property Tax Impacts***

The following charts summarize the combined property tax impacts for municipal (including Dow Centennial Centre (DCC) for 2023 only), education, and Heartland Housing Foundation levies from 2023 to 2024. The impacts are presented in dollar values and percentages for sample residential and non-residential properties. Additionally, it should be noted that 2023 marked the final year for the DCC tax rate. Charts may include minor rounding.

**Residential**

	2024 Assessment \$426,717	2023 Assessment \$412,925	Dollar Change	Percent Change
Municipal Tax Levy	\$ 2,309.46	\$ 2,263.30	\$ 46.15	2.04%
Education Tax Levy	\$ 1,055.60	\$ 1,010.55	\$ 45.05	4.46%
Heartland Housing Foundation Tax Levy	\$ 39.33	\$ 35.71	\$ 3.62	10.1%
<b>Combined Tax Impact</b>	<b>\$ 3,404.38</b>	<b>\$ 3,309.56</b>	<b>\$ 94.81</b>	<b>2.86%</b>

Based on an average 2024 market value for a residential property of \$426,717 (reflecting a 3.3% average increase in assessment due to market value changes from 2023), homeowners can experience a combined property tax increase of approximately \$94.81 for the year, equivalent to \$7.90 per month. This represents an overall 2.86% increase from 2023 to 2024.

**Non-Residential**

	2024 Assessment \$1,027,142	2023 Assessment \$1,006,607	Dollar Change	Percent Change
Municipal Tax Levy	\$ 10,119.99	\$ 9,918.02	\$ 201.96	2.04%
Education Tax Levy	\$ 3,768.08	\$ 3,745.83	\$ 22.25	0.59%
Heartland Housing Foundation Tax Levy	\$ 94.67	\$ 87.05	\$ 7.62	8.7%
<b>Combined Tax Impact</b>	<b>\$ 13,982.73</b>	<b>\$ 13,750.90</b>	<b>\$ 231.83</b>	<b>1.69%</b>

Based on a 2024 market value for a non-residential property of \$1,027,142 (reflecting a 2.0% average increase in assessment due to market value changes from 2023), non-residential property owners can experience a combined property tax increase by approximately \$231.83 for the year, equivalent to \$19.32 per month. This represents an overall 1.69% increase from 2023 to 2024.

The Province determines the education tax levy for residential and non-residential properties based on equalized assessment. As a result, due to an increase in the equalized assessment for both types of properties, there has been a year-over-year increase in the education tax levy.

***Assessment Growth and Market Adjustments***

On December 12, 2023, the 2024 Operating Budget was approved with estimated property tax revenue, reflecting growth in assessments of \$799,000. A conservative estimate was used since the 2024 growth rate was not finalized until early 2024. The growth in assessment has been

adjusted to the actual value. The City will realize \$1,318,902 in growth revenue, an additional \$519,902 from the original growth estimate. In accordance with Property Tax Policy FIN-027-C, the additional assessment revenue growth, beyond estimates made at Budget, will be allocated to the Financial Stabilization and Contingency Reserve. In the following budget year, this growth will be included to reflect actuals as part of the proposed Budget revenues.

The Bylaw incorporates the annexed properties from Strathcona County per the order in Council (247/2019), which outlines specific assessment and taxation conditions regarding the annexed properties. These conditions, effective starting in 2020 and extending until 2049, dictate that the annexed properties are subject to the municipal tax rate set by either Strathcona County or the City of Fort Saskatchewan, whichever is lower.

For 2024, the tax rate for the annexed residential properties will be based on Strathcona County's residential tax rate, while annexed non-residential properties will adopt the City of Fort Saskatchewan's non-residential tax rate.

The total value of the 2024 assessment roll is \$7.7B, representing an increase from \$7.3B in 2023. Both the residential/farmland and non-residential assessment base increased in value, including growth and market value adjustments, by approximately \$185.5M and \$201.4M, respectively. These changes in property assessment from the prior year are the result of two factors:

1. Growth in property assessment results from new developments, such as renovations or new buildings, generating additional ongoing property tax revenue. Over the past year, the additional growth in property assessment amounted to \$111.7M for residential and \$73.9M for non-residential properties.
2. Market value adjustments reflect changes to property assessments due to economic forces such as supply, demand, and inflation or deflation. In 2024, residential properties, including single-detached dwellings, duplexes, semi-detached, multi-attached and condominiums, experienced inflation of 3.3%, while non-residential properties experienced inflation of 2.0%.

It is important to note that the property values used to determine the 2024 property tax rates are based on July 1, 2023, assessed value as specified in Assessment and Taxation Regulations.

#### **Internal/External Impacts:**

Corporate Communications will provide additional information about municipal property taxes on the City's website.

#### **Diversity Impacts:**

Administration will ensure all property tax and assessment communication for 2024 follows the City's standards and policy for inclusion and accessibility. In addition, the City will attempt to ensure all documentation is straightforward and easily understood by the general public.

#### **Risk Analysis:**

According to the *Municipal Government Act* (MGA), property owners are given 30 days from the day after the property tax notices are distributed before a penalty can be imposed (s.344 (3)). Property owners are provided an additional seven days for mailing the property tax notice (s.337). Therefore, if the Bylaw is not given all three readings on May 14, 2024, it will delay the

mailing of the property tax notices and require a change to the property tax payment due date from June 30, 2024, to a future date in July 2024 to allow for the MGA requirements.

**Plans/Standards/Legislation:**

The MGA authorizes Council to impose a tax in respect of property in the City to raise revenue for payments of expenditures as set out in the City's Budget and requisitions. Council must pass a property tax bylaw annually (s.353 (1) (2)).

The Property Tax Policy [FIN-027-C](#) specifies that additional assessment growth for the Property Tax Bylaw, beyond estimates made at budget time, shall be allocated to the Financial Stabilization and Contingency Reserve.

City's Strategic Plan:

Goal - Well-Planned Community and Resilient Economy (strategically plan, prepare, and manage responsible and sustainable growth for our residents and businesses).

Goal - Operational Excellence and Continuous Improvement (continuous improvement; constantly looking for ways to improve our services through innovative practices, technology, collaboration, and consultation).

**Alternatives:**

1. That Council refer second reading of Bylaw C8-24 to a future meeting and request more information to be provided from Administration.
2. That Council direct Administration on how it wishes to proceed.

**Administrative Recommendation:**

That Council gives all three readings to Bylaw C8-24 on May 14, 2024, to meet production deadlines and mailing of property tax notices.

**Attachments:**

1. Appendix A – 2024 Property Tax Bylaw C8-24
2. Appendix B – Key Factors for the 2024 Property Tax Rate
3. Appendix C – 2024 Revised Operating and Capital Budget Reports
4. Appendix D – 2024 Budget Adjustments

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Approved by: Troy Fleming Date: May 1, 2024  
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