

TOWN OF BANFF
ORDER OF BUSINESS
Special Meeting of Council
Town of Banff Council Chambers
Thursday, May 16, 2019 at 8:30 a.m.

1.0 CALL TO ORDER

2.0 APPROVAL OF AGENDA

2.1 Special Meeting Agenda

Recommendation:

That council approve the agenda for the May 16, 2019 special meeting of council.

3.0 PUBLIC INPUT ON AGENDA ITEMS

3.1 Written Submissions

3.2 Oral Submissions

4.0 SPECIAL MEETING BUSINESS

4.1 Request for Decision - Bylaw 240-16 – 2019 Tax Rate Bylaw

Recommendation:

That council give third reading to 2019 Tax Rate Bylaw 240-16.

5.0 ADJOURNMENT

Agenda prepared by: Tara Johnston-Lee

All recommendations as presented are for discussion purposes only, and should not be considered as the opinion or direction of council.

REQUEST FOR DECISION

Subject: 2019 Tax Rate Bylaw

Presented to: Council

Date: May 13, 2019

Submitted by: Chris Hughes

Agenda #: 9.1



RECOMMENDATION

That Council give three readings to Bylaw 240-16 as presented.

BACKGROUND

Reason for Report

To set property tax rates for 2019.

Summary of Issue

The 2019 property assessments and requisitions for the Bow Valley Regional Housing have now been finalized. At this time the provincial government has advised municipalities that due to delays caused by the recent election, the 2019 budget will not be tabled until this fall. Therefore, the exact 2019 education tax requisition will not be known until such time as the budget has been finalized. Until such time as the new the requisition is calculated, municipalities will continue to be invoiced by the province based on the 2018 provincial property tax requisition. The province has provided the following options to municipalities that are looking to establish their 2019 tax rates:

1. Use the 2019 equalized assessment data and apply the 2018 uniform education tax rates
2. Use the 2018 education property tax requisition
3. Use any other method that can be explained to taxpayers

Once a 2019 provincial budget has been released the province will make an adjustment to reflect the revised requisition for each municipality. If it turns out that a municipality has under levied, they will have to use municipal funds or reserves to cover the difference and can recoup the difference in their 2020 education property tax calculation. On the contrary, if a municipality has over levied, they can reduce their 2020 education property tax rate calculation by that amount.

Based on trends in the provincial equalized assessment data which show that the equalized assessment for the Town of Banff has increased by 9% while the average equalized assessment across the province has only increased by 2%, administration is recommending that our estimate for the 2019 education tax requisition takes into account this increase to our overall percentage of the total assessment.

The 2019 tax rate bylaw as presented assumes that the total property education tax requisition for the province will be the same as 2018, but due to the shift in equalized assessment the Town of Banff will see an increase of 6.23% to our requisition. During the 2019 budget preparation, it was estimated that there would only be an inflationary increase of 1.9% to the requisition. It is estimated that there will a 7.86% increase in the residential portion and a 4.75% increase to non-residential sector. The 2019 Bow Valley Regional Housing (BVRH) levy increased by 6.65% from the 2018 levy. This increase is again largely related to our greater than average increase in equalized assessment.

There was a 13.5% average increase in taxable residential assessments and a 5.8% increase in the average taxable non-residential assessments. The deadline for assessment appeals was April 18^h and at this time there is one outstanding residential appeal for the 2019 tax year. The total maximum potential tax revenue impact from the appeal is \$737.

The Financial Plan gives guidance to set the commercial to residential municipal tax split at a level that shares the overall percentage tax increase equally between the two sectors and identifies the target range between 3:1 and 6:1. For 2019 the municipal tax rate split that would equally share the overall percentage increase would be 4.82:1.

2019 Property Assessments

For the year 2019, the Town of Banff has seen a total residential taxable assessment increase of 13.5% from \$1.63 billion to \$1.85 billion. Non-residential assessments have increased by 5.8% from \$1.17 billion to \$1.24 billion. The total overall taxable assessment for the Town of Banff has increased by 10.3% from \$2.80 billion to \$3.09 billion. The following chart shows the trends in taxable assessments from 2016 to 2019.

	2016	%	2017	%	2018	%	2018	%
Residential	1,332,581,950	57	1,405,048,660	57	1,629,584,120	58	1,849,959,620	60
Non-residential	999,139,780	43	1,054,462,390	43	1,171,239,810	42	1,238,637,220	40
Total	2,331,721,730		2,459,511,050		2,800,823,930		3,088,596,840	

2019 Municipal Tax Levy

Council approved on January 28, 2019 an operating budget that included an estimated municipal tax increase of 6.47% including tax revenue collected on growth from new assessment. Excluding the amount estimated to come from supplemental assessments, the municipal tax levy on an average property is expected to increase 6.17%

2019 Education Tax Levy

As referenced, the increase to the Town of Banff's education requisition for 2019 is estimated to be \$485,711 or 6.23%. This combined with a 2018 over levy of \$10,707, the residential education levy increased by 7.65% while the non-residential levy increased by 4.68% and overall the School Tax Levy will be up by 6.09% over 2018. The residential and non-residential tax rates for the education levy will be established by the province once the budget has been passed. The estimated non-residential to residential tax rate split for this levy has moved from 1.49:1 in 2018 to 1.56:1 in 2019. The Education Tax Levy makes up 28% of the overall tax levy.

2019 Bow Valley Regional Housing (BVRH) Tax Levy

The 2019 BVRH requisition increase from \$354,810 in 2018 to \$378,533 in 2019. Factoring in an over levy of \$231, the overall BVRH tax levy will increase by 6.19%. Overall the BVRH Tax Levy only makes up 1.3% of the overall tax levy.

2019 Designated Industrial Tax Levy

Beginning in 2018 the Province has assumed the responsibility for the Designated Industrial (DI) property assessment as a component of the recent legislated change within the Municipal Government Act. The 2019 designated industrial mill rate has not been set at this time so it has been estimated that the total required will be the same as 2018.

2019 Overall Tax Levy

During budget preparation, it was estimated that the overall tax increase would be 4.93%. However, with the actual municipal levy, estimated education levy, BVRH levy, and overall assessment growth factored in, the overall tax levy increase would move to 6.14%.

An average residential dwelling unit in 2019 would be assessed at \$399,200. An average residential dwelling would see an annual increase in overall taxes of \$119. An average non-residential property would be assessed at \$6.05 million and would see an increase of \$5,764.

It is important to note that these changes in tax bills are average and do not reflect individual property tax changes. A property that has seen a higher than average assessment increase will see a greater than average increase in their tax bill and a property that has seen a lower than average assessment increase will see a lower than average tax increase.

2019 Non-residential to Residential Tax Split

The Financial plan identifies a target tax split of between 3:1 and 6:1 guidance to set the split at a rate that will share the overall tax increase equally between the non-residential and residential sectors. In order to accomplish this, the tax rate split should be set at 4.815:1.

Response Options

1. Give three readings to the 2019 tax rate bylaw 240-16.
2. Direct administration to draft a different 2019 tax rate bylaw based on an alternate set of directions. Note this would likely require a delay in the issuing of the 2019 tax notices.

IMPLICATIONS OF DECISIONBudgeting

By giving 3 readings to the 2019 tax rate bylaw, Council will determine the relative tax revenues to be collected from the residential and non-residential sectors.

Communication

Upon the passing of the 2019 tax rates, the rates will be posted on the Town of Banff website and tax bills will be prepared and planned to be mailed by May 30, 2019.

Legislation/Policy

The Municipal Government Act of Alberta requires every municipality to pass a tax rate bylaw each year.

Attachments:

Appendix A – Tax Levy impact of 4.815:1 Split

Appendix B – Draft 2019 Tax Rate Bylaw 240-16

Appendix C – Tax Impact on a Select Sample of Properties

Submitted By: On original
Chris Hughes, Manager, Finance

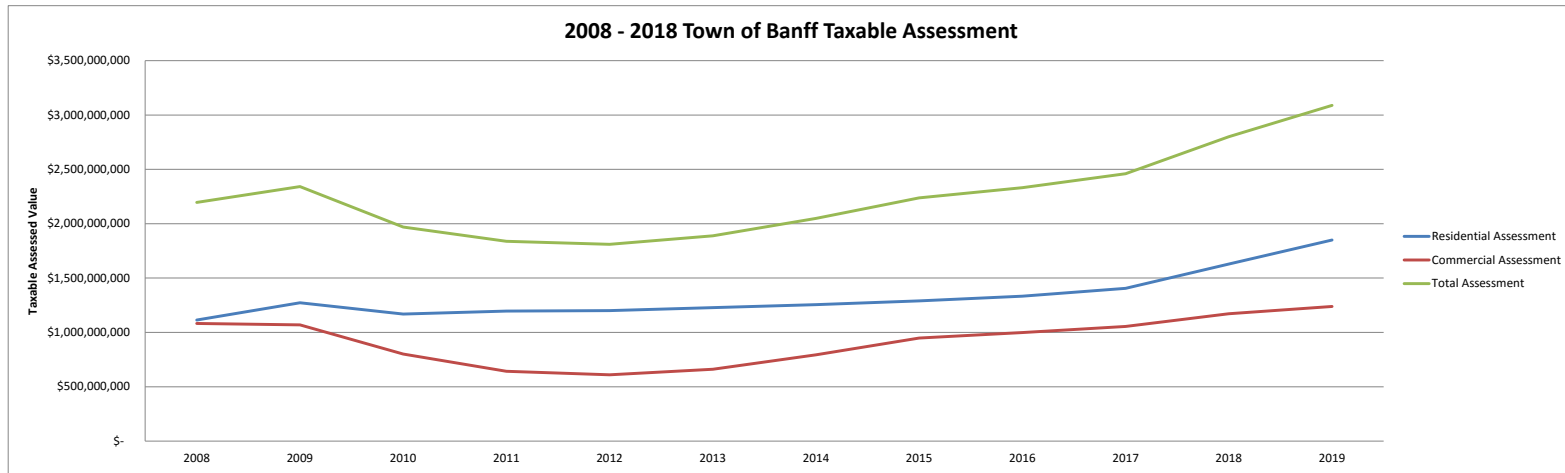
Reviewed By: On original
Robert Earl, Town Manager

TOWN OF BANFF
TAX LEVY ESTIMATES - 2019
4.815:1 Tax Split

Est. Supplemental \$60,000

DESCRIPTION	CLASS	BASIC LEVY	UNDER/OVER LEVY	TOTAL LEVY	ASSESSMENT	4.815	TAX LEVY	Revised	% CHANGE
						MILL RATE		LAST YEAR TAX LEVY	
General Municipal Requisition									
	Residential	\$4,850,409		\$20,487,551	\$1,849,959,620	2.6219	\$4,850,409	\$4,620,677	4.97%
	Commercial	\$15,637,052			\$1,238,637,220	12.6244	\$15,637,052	\$14,676,819	6.54%
Total General Municipal Requisition		\$20,487,461	\$0	\$20,487,551	\$3,088,596,840		\$20,487,461	\$19,297,496	6.17%
Municipal Housing Requisition									
	Residential	\$26,084		\$110,265	\$1,849,959,620	0.0141	\$26,084	\$24,933	4.62%
	Commercial	\$84,103			\$1,238,637,220	0.0679	\$84,103	\$79,059	6.38%
Total Municipal Housing Requisition		\$110,187	\$0	\$110,265	\$3,088,596,840		\$110,187	\$103,992	5.96%
Municipal Requisition									
	Residential	\$4,876,493	\$0	\$20,597,816	\$1,849,959,620	2.6360	\$4,876,493	\$4,645,610	4.97%
	Commercial	\$15,721,155	\$0	\$0	\$1,238,637,220	12.6923	\$15,721,155	\$14,755,878	6.54%
Total Municipal Requisition		\$20,597,648	\$0	\$20,597,816	\$3,088,596,840		\$20,597,648	\$19,401,488	6.17%
School Requisitions									
	Residential	\$3,696,736	(\$7,672)	\$4,000,318	\$1,807,421,510	2.2090	\$3,992,594	\$3,708,902	7.65%
	Commercial	\$4,053,652	(\$3,035)	\$4,279,351	\$1,238,637,220	3.4524	\$4,276,271	\$4,085,121	4.68%
Total School Requisition		\$7,750,388	(\$10,707)	\$8,279,669	\$3,046,058,730		\$8,268,865	\$7,794,023	6.09%
BVRH Requisitions									
	Residential	\$88,021	(\$115)	\$378,533	\$1,807,421,510	0.0487	\$87,906	\$83,850	4.84%
	Commercial	\$290,460	(\$116)		\$1,238,637,220	0.2345	\$290,344	\$272,585	6.52%
Total Foundation Requisition		\$378,481	(\$231)	\$378,533	\$3,046,058,730		\$378,250	\$356,435	6.12%
Designated Industrial & Linear Property									
	Commercial	\$357	\$0	\$357	\$7,970,510	0.044800	\$357	\$357	0.00%
Total Foundation Requisition		\$357	\$0	\$357	\$7,970,510		\$357	\$357	0.00%
Total Requisition									
	Residential				\$1,849,959,620	4.8937	\$8,956,993	\$8,438,362	6.15%
	Commercial				\$1,238,637,220	16.424000	\$20,288,127	\$19,113,941	6.14%
Total Tax Levy		\$28,726,517	(\$10,938)	\$29,256,018	\$3,088,596,840		\$29,245,120	\$27,552,303	6.14%

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Residential Assessment	\$ 1,113,868,810	\$ 1,272,238,390	\$ 1,168,968,470	\$ 1,196,547,580	\$ 1,200,328,410	\$ 1,228,520,140	\$ 1,255,068,690	\$ 1,289,586,740	\$ 1,332,581,950	\$ 1,405,048,660	\$ 1,629,584,120
Commercial Assessment	1,082,404,222	1,069,887,030	800,828,360	642,127,460	610,025,320	660,654,340	793,410,100	948,485,530	999,139,780	1,054,462,390	1,171,239,810
Total Assessment	\$ 2,196,273,032	\$ 2,342,125,420	\$ 1,969,796,830	\$ 1,838,675,040	\$ 1,810,353,730	\$ 1,889,174,480	\$ 2,048,478,790	\$ 2,238,072,270	\$ 2,331,721,730	\$ 2,459,511,050	\$ 2,800,823,930



TOWN OF BANFF

BYLAW 240-16

2019 TAX RATE BYLAW

A Bylaw to Authorize the Tax Rate to be Levied Against Assessable Property Within the Town of Banff for the 2019 Taxation Year

WHEREAS, the estimated municipal operating expenditures and transfers set out in the budget for the Town of Banff for 2019 total \$44,789,712;

AND WHEREAS, the requisitions are:

Alberta School Foundation Fund (ASFF)	
Residential	\$ 4,000,318
Non-residential	\$ 4,279,351
Bow Valley Regional Housing	\$ 378,533
Designated Industrial Property Tax	\$ 357

AND WHEREAS, the assessed value of all taxable property in the Town of Banff as shown on the assessment roll is:

	<u>Assessment</u>
Residential	\$ 1,849,959,620
Non-residential	\$ <u>1,238,637,220</u>
Total	\$ <u>3,088,596,840</u>

NOW THEREFORE the Council of the Town of Banff, in the Province of Alberta, duly assembled, ENACTS AS FOLLOWS:

1.0 CITATION

1.1 This bylaw may be cited as the “2019 Tax Rate Bylaw”.

2.0 PROVISIONS

2.1 The Director, Corporate Services is hereby authorized to levy the following rates of taxation on the assessed value of all property as shown on the assessment roll of the Town of Banff:

	<u>TAX LEVY</u>	<u>ASSESSMENT</u>	<u>TAX RATE</u>
General Municipal			
Residential	\$4,850,409	\$ 1,849,959,620	2.6219
Non-residential	\$15,637,052	\$ 1,238,637,220	12.6244
Municipal Housing			
Residential	\$26,084	\$ 1,849,959,620	0.0141
Non-residential	\$84,103	\$ 1,238,637,220	0.0679
Total Municipal			
Residential	\$4,876,493	\$ 1,849,959,620	2.6360
Non-residential	\$15,721,155	\$ 1,238,637,220	12.6923
ASFF – Education			
Residential	\$3,992,594	\$ 1,807,421,510	2.2090
Non-residential	\$4,276,271	\$ 1,238,637,220	3.4524
Bow Valley Regional Housing			
Residential	\$ 87,906	\$ 1,807,421,510	0.0487
Non-residential	\$290,344	\$ 1,238,637,220	0.2345
Designated Industrial			
Non-residential	\$ 357	\$ 7,970,510	0.04480
Total			
Residential	\$ 8,956,993	\$ 1,849,959,620	
Non-residential	\$20,288,127	\$ 1,238,637,220	

3.0 SEVERABILITY

- 3.1 If any clause in this bylaw is found to be invalid, it shall be severed from the remainder of the bylaw and shall not invalidate the whole bylaw.

4.0 REPEAL

- 4.1 Bylaw 240-15, 2018 Tax Rate Bylaw, is repealed.

5.0 ENACTMENT

5.1 This bylaw comes into force on the date it is passed.

READ A FIRST TIME this _____ day of _____, 2019.

READ A SECOND TIME this _____ day of _____, 2019.

READ A THIRD TIME this _____ day of _____, 2019.

SIGNED AND PASSED this _____ day of _____, 2019.

Karen Sorensen
Mayor

Robert Earl
Town Manager

Impact on Sample Residential Properties

Street		2018 5.2162	2019 4.8937	Annual Tax Increase	% Increase
Otter St Duplex (Undivided)	Assessment	\$671,700	\$762,155		13.5%
	Total Levy	\$3,504	\$3,730	\$226	6.5%
Deer St Duplex (Undivided)	Assessment	\$650,810	\$733,040		12.6%
	Total Levy	\$3,395	\$3,587	\$193	5.7%
Sulphur Ct Duplex	Assessment	\$772,040	\$914,240		18.4%
	Total Levy	\$4,027	\$4,474	\$447	11.1%
Beaver St Condo	Assessment	\$475,000	\$498,750		5.0%
	Total Levy	\$2,478	\$2,441	-\$37	-1.5%
Marten St Condo	Assessment	\$424,110	\$445,310		5.0%
	Total Levy	\$2,212	\$2,179	-\$33	-1.5%
Otter Ln Condo	Assessment	\$564,810	\$666,480		18.0%
	Total Levy	\$2,946	\$3,262	\$315	10.7%
Cougar St Single Family	Assessment	\$1,019,410	\$1,146,680		12.5%
	Total Levy	\$5,317	\$5,612	\$294	5.5%
Middle Springs Dr Single Family	Assessment	\$814,780	\$934,000		14.6%
	Total Levy	\$4,250	\$4,571	\$321	7.5%
Spray Ave Single Family	Assessment	\$1,068,250	\$1,287,240		20.5%
	Total Levy	\$5,572	\$6,299	\$727	13.0%
Antelope Ln Row House Condo	Assessment	\$910,230	\$1,022,110		12.3%
	Total Levy	\$4,748	\$5,002	\$254	5.3%
Jasper Way Price Restricted	Assessment	\$637,580	\$650,330		2.0%
	Total Levy	\$3,326	\$3,183	-\$143	-4.3%

Impact on Sample Commercial Properties

Street		2018 16.3215	2019 16.3792	Annual Tax Increase	% Increase
Banff Avenue Hotel	Assessment	\$ 7,142,950	\$ 7,906,310		10.7%
	Total Levy	\$ 116,584	\$ 129,499	\$12,915	11.1%
Banff Avenue Hotel	Assessment	\$ 14,743,890	\$ 14,521,420		-1.5%
	Total Levy	\$ 240,642	\$ 237,849	-\$2,793	-1.2%
Banff Avenue Hotel	Assessment	\$ 29,068,830	\$ 30,503,330		4.9%
	Total Levy	\$ 474,447	\$ 499,620	\$25,173	5.3%
Tunnel Mtn Road Hotel	Assessment	\$ 14,000,000	\$ 14,801,480		5.7%
	Total Levy	\$ 228,501	\$ 242,436	\$13,935	6.1%
Owl Street Industrial	Assessment	\$ 1,398,040	\$ 1,619,370		15.8%
	Total Levy	\$ 22,818	\$ 26,524	\$3,706	16.2%
Hawk Ave Industrial	Assessment	\$ 365,250	\$ 460,210		26.0%
	Total Levy	\$ 5,961	\$ 7,538	\$1,576	26.4%
Bear Street Mixed Use	Assessment	\$ 5,525,720	\$ 5,723,070		3.6%
	Total Levy	\$ 90,188	\$ 93,739	\$3,551	3.9%
Banff Avenue Mixed Use	Assessment	\$ 7,799,090	\$ 8,042,810		3.1%
	Total Levy	\$ 127,293	\$ 131,735	\$4,442	3.5%
Banff Avenue Mixed Use	Assessment	\$ 11,942,190	\$ 10,263,860		-14.1%
	Total Levy	\$ 194,914	\$ 168,114	-\$26,801	-13.7%
Banff Avenue Mixed Use	Assessment	\$ 4,305,230	\$ 4,470,820		3.8%
	Total Levy	\$ 70,268	\$ 73,228	\$2,961	4.2%