

**Summary of 2016 Assessment Roll &
2017 Tax Levies, Requisitions & Tax Rates**

1. Changes in the 2016 Taxable Assessment Base

Changes in the taxable property assessment base over the prior year are the result of either new taxable assessment growth or market value change. The finalized 2016 taxable assessment base forms the basis for the 2017 tax year.

- Assessment growth is primarily generated from new construction, new land servicing & development activity, and additions or renovations to existing property. Assessment growth becomes part of the taxable assessment base and assists in offsetting future municipal tax increases.

- Market value change refers to changes in property assessments resulting from inflation/deflation of real estate prices due to external market forces within our local real estate market. Within St. Albert, market value changes are *not* used to generate new tax revenue, as the City's practice is to adjust property tax rates as to offset market value fluctuations (revenue neutrality). It is important to note that property whose market value has increased or decreased at a rate different than the base average, will experience tax increases which are similarly different than the base average.

2016 Physical and Market Change for 2017 Taxation Year

Property Class	2016 Assessment Roll (Beginning of Year)	2016 Net Assessment Growth	% Growth	Finalized 2016 Roll (End of Year)	% Market
Residential	\$10,122,506,940	\$301,353,900	2.98%	\$10,081,330,810	-3.29%
Non-Residential	\$1,658,036,910	\$66,774,750	4.03%	\$1,716,035,750	-0.51%
Total	\$11,780,543,850	\$368,128,650	3.12%	\$11,797,366,560	-2.89%

2. Municipal Property Tax

Municipal Property Taxes are comprised of five components within the annual Tax Rate Bylaw document. They are as follows:

Municipal Sub-Category	2017 Municipal Levy
a. General Municipal Levy	\$93,183,728
b. Servus Credit Union Place Operating Levy	\$889,700
c. Servus Credit Union Place Capital Levy	\$3,280,900
d. Annexation Lands Levy	\$143,772
TOTAL 2017 MUNICIPAL LEVY	\$97,498,100

2a. General Municipal Levy

The general municipal tax levy component is based on the City's 2017 operating budget requirements. City council has established the budget based on service levels for residents and priorities for sustaining and developing our community.

This levy amount is split between the two assessment classes based on policy contained within Section 11 of *Budget & Taxation Guiding Principles Policy C-FS-05*. As stipulated within that policy, the City Manager can recommend to Council an annual adjustment to the general municipal tax split, which may result in higher average municipal tax increases for the non-residential property class as compared to the residential property class. For 2017, the tax split for the general municipal levy is recommended to be set at 80.90% residential and 19.10% non-residential. (2016 was 81.20% vs. 18.80%). Impacts of this tax split decision are shown on page 7.

Property Class	2017 Tax Rate	Tax per \$100,000 of Assessment
Residential	7.4900	\$749.00
Vacant Residential (Bylaw 32/2015)	9.3625	\$936.25
Non-Residential	10.4147	\$1,041.47

2b. Servus Credit Union Place Operating Levy

As per previous Council decision, the Servus Place Operating Levy is applied to the two assessment classes on a *uniform* basis, (the same as the Servus Place Capital Levy.) Therefore, tax rates are not "split", but are uniform. In future, should Council decide that the Servus Place Operating Levy be split in the same manner as the General Municipal Levy, the two could be amalgamated.

Property Class	2017 Tax Rate	Tax per \$100,000 of Assessment
Residential	0.0756	\$7.56
Non-Residential	0.0756	\$7.56

2c. Servus Credit Union Place Capital Levy

The Servus Credit Union Place capital levy commenced in 2005 and represents the annual debenture payment payable for the initial construction cost of Servus Credit Union Place. 2017 marks the 13th year that the levy has been in effect. The existing debenture payments have a 20-year duration, expiring in 2024. The annualized payment for budget purposes is a static amount of \$3,280,900. As per previous Council decision, the Servus Place Capital Levy is applied to the two assessment classes on a *uniform* basis. Therefore, tax rates are not “split”, but are uniform.

Property Class	2017 Tax Rate	Tax per \$100,000 of Assessment
Residential	0.2787	\$27.87
Non-Residential	0.2787	\$27.87

2d. Annexation Lands Tax Levy

Lands annexed by the City of St. Albert from Sturgeon County are subject to special taxation rules as per *Order in Council 38/2007*. Under the provisions of this order, the annexation lands “*must be taxed by the City of St. Albert...using the municipal tax rate established by Sturgeon County*”. This stipulation applies up to and including the 2021 taxation year. Administration must incorporate Sturgeon County’s 2017 tax rates into our own tax rate bylaw for those assessments contained within the annexation lands area. Once developmental activity occurs on any of the said lands, the tax rates revert to City of St. Albert rates.

Property Class	Sturgeon County 2017 Tax Rate	Tax per \$100,000 of Assessment
Residential	3.7182	\$371.82
Farm Land	9.4238	\$942.38
Non-Residential	10.4986	\$1,049.86
Machinery & Equipment	10.4986	\$1,049.86

3. Provincial Education Requisition

Provincial legislation requires the City to levy and collect education taxes on behalf of the Province of Alberta. The City of St. Albert does not set or control the requisition amount. The City receives an annual requisition from the Province of Alberta which establishes what amount is to be levied and collected from the residential and non-residential classes of taxable property.

For 2017, all education requisitions are to be levied, collected and remitted by the City, to the Alberta School Foundation Fund (ASFF) and the Separate School Board (Greater St. Albert Roman Catholic Separate School District No. 734). The summary of change in the 2017 education requisition versus 2016 is shown below.

Modest increases in our education requisitions are being experienced for 2017 due to:

- a) The continued cancellation of all grant-in-lieu (GIPOT) properties paying education tax equivalents, as announced within the 2016 provincial budget.
- b) General provincial education funding increases, as announced within the 2017 provincial budget.
- c) Year-over-year changes in municipal equalized assessment totals, as compared to other Alberta municipalities.

Summary of Education Requisition for 2017 Tax Year

Property Class	2017 Education Requisition	2016 Education Requisition	\$ Change	% Change
Residential	\$25,145,690	\$24,661,820	\$483,870	2.0%
Non-Residential	\$6,021,744	\$5,688,738	\$333,006	5.9%
Total	\$31,167,434	\$30,350,558	\$816,876	2.7%

Property Class	2017 Tax Rate	Tax per \$100,000 of Assessment
Residential	2.4943	\$249.43
Non-Residential	3.5406	\$354.06

4. Homeland Housing Requisition

The Homeland Housing Foundation is a non-profit management body established January 1, 2017 due to an amalgamation of the Sturgeon Foundation and the Westlock Foundation. The Homeland Housing region includes the City of St. Albert, MD of Lesser Slave Lake, Sturgeon County, Town of Bon Accord, Town of Gibbons, Town of Legal, Town of Morinville, Town of Redwater, Town of Westlock, Village of Clyde, and Westlock County. Homeland Housing manages seniors housing facilities in all these locations.

The City of St. Albert is required to levy, collect, and remit our portion of the annual requisition amount on behalf of Homeland Housing.

Property Class	2017 Sturgeon Foundation Requisition	2016 Sturgeon Foundation Requisition	\$ Change	% Change
Total	\$1,121,111	\$1,104,070	\$17,041	1.5%

Property Class	2017 Tax Rate	Tax per \$100,000 of Assessment
Residential	0.0900	\$9.00
Non-Residential	0.1257	\$12.57

5. Taxation Impacts

Impacts are based on How Your Assessment Changed in Relation to the Class Average

Property tax impacts will vary depending on the change in assessed value. Those properties that experience an assessment increase that is the same as the average for that class of assessment, will then experience a tax increase that is also the average. Any property that experiences an assessment change that is higher or lower than the base average, will also receive a tax increase that is correspondingly higher or lower than the base average. The table below provides a summary, based on the City Manager recommended tax split.

Residential		Non-Residential	
Assessment % change is less than -3.3%	Overall tax increase will be less than 0.8%	Assessment % change is less than -0.5%	Overall tax increase will be less than 2.1%
Assessment % change is approx. -3.3%	Overall tax increase will be approx. 0.8%	Assessment % change is approx. -0.5%	Overall tax increase will be approx. 2.1%
Assessment % change is greater than -3.3%	Overall tax increase will be greater than 0.8%	Assessment % change is greater than -0.5%	Overall tax increase will be greater than 2.1%

Total Tax Impact is based on the Weighted Average of the Change in the Different Tax Components

Property tax impacts are the cumulative effect of changes in all three components of property tax: municipal, education, and Sturgeon Foundation. Each tax component experiences different rates of increase in any given tax year. Only the municipal component is within the City's control. **The Education requisition and the Sturgeon Foundation requisition components are not within the City's control.** Municipal

taxes account for approximately 75% of the levy total, Education taxes, 24%, and the Homeland Housing requisition, 1%.

For properties that experienced an assessment % change that was the same as their assessment class (residential or non-residential) average, the weighted 2017 tax impact will be as follows:

RESIDENTIAL - SINGLE FAMILY DWELLING - BASE AVG				
	2016 TAX YR	2017 TAX YR	\$ CHG	% CHG
TYPICAL ASSESSMENT	450,000	435,150		
ASSESSMENT CHANGE \$		-14,850		
ASSESSMENT CHG %		-3.3%		
MUNICIPAL LEVY	3,239	3,293	54	1.7%
SERVUS PLACE CAPITAL LEVY	126	121	<u>-5</u>	<u>-3.4%</u>
			49	1.4%
EDUCATION LEVY	1,096	1,085	-11	-1.0%
STURGEON FOUNDATION LEVY	40	39	-1	-1.8%
TOTAL	4,501	4,583		
OVERALL TAX CHG \$			37	0.8%
NON-RESIDENTIAL - WAREHOUSE - BASE AVG				
	2016 TAX YR	2017 TAX YR	\$ CHG	% CHG
TYPICAL ASSESSMENT	1,000,000	994,700		
ASSESSMENT CHANGE \$		-5,300		
ASSESSMENT CHG %		-0.5%		
MUNICIPAL LEVY	10,191	10,435	244	2.4%
SERVUS PLACE CAPITAL LEVY	279	277	<u>-2</u>	<u>-0.7%</u>
			242	2.3%
EDUCATION LEVY	3,463	3,522	59	1.7%
STURGEON FOUNDATION LEVY	125	125	0	0.0%
TOTAL	14,058	14,359		
OVERALL TAX CHG \$			301	2.1%