

April 9, 2013

To: Members,
Finance and Administration Committee

Re: The Regina Property Tax Bylaw, 2013 and School Division Property Tax Bylaw

RECOMMENDATION

1. That City Council establish a separate resource property subclass under its commercial/ industrial class and apply a mill rate factor of 1.32901 to this subclass.
2. That the City Solicitor be instructed to prepare the necessary property tax bylaws for consideration by City Council on April 29, 2013 that include the property classes and subclasses, the municipal mill rate, the other taxing authorities' mill rates, the mill rate factors, and the business improvement districts' mill rates outlined in this report.

CONCLUSION

City Council is required to set the 2013 mill rates for the City of Regina, the Regina Public Library, and the Regina Downtown and Regina's Warehouse Business Improvement Districts and the property subclasses and mill rate factors for the City and Library taxes. The processes to approve these occur at different times with the Education Mill Rates being set in the Provincial Budget. The recommendations in this report establish a subclass that allows for the administration of the education mill rates set by the Province and provides instruction to complete the necessary consolidated bylaws.

BACKGROUND

The purpose of this report is to approve the subclass required to administer the education property tax mill rates set by the Province and advises of the information for the 2013 Regina Property Tax Bylaw and the 2013 School Division Property Tax Bylaw.

The Regina Property Tax Bylaw 2013 sets the mill rates to be levied on all taxable assessments in the City to raise the money required by the City, the Public Library and the business improvement districts for 2013.

The Province sets the property tax mill rates and property classes used to levy education taxes by all public school divisions. This arrangement may also be used by separate school divisions. Separate school divisions have a constitutional authority to levy taxes to fund their educational system; therefore each school division will decide if it will retain authority to establish its own property tax mill rates. The City enacts a School Division Property Tax Bylaw which authorizes the City to levy and collect taxes on property of the taxable assessment of the Board of Education of the Regina School Division No. 4 of Saskatchewan and the Board of Education of the Regina Roman Catholic Separate School Division No. 81 of Saskatchewan.

Each year the budget processes and setting of mill rates and mill rate factors is a multi step process involving different taxing authorities. With all the components now completed the necessary bylaws can be prepared and be considered by City Council. While some rates have been previously approved the recommendations in this report reflect the remaining approvals

required to proceed with the bylaws. This report creates the resource property subclass that is required to administer the recently announced new tax class for education tax.

DISCUSSION

Municipal Mill Rate

The 2013 municipal mill rate proposed by the Administration was approved at the February 19, 2013 meeting of City Council in the following decision: CR13-17 2013 General Operating Budget: "That a municipal mill rate of 8.4404 for 2013, representing a 4.45% increase from 2012 be approved."

Municipal Mill Rate Factors

At the February 19, 2013 meeting of City Council the recommendations in item CR13-16, 2013 Reassessment Tax Policy were concurred in.

As a result, the following municipal mill rate factors have been approved for 2013:

PROPERTY CLASS	PROPERTY SUBCLASS	MILL RATE FACTOR
Residential	Residential (including condominiums) and Multi-Family	0.87880
Commercial and Industrial	N/A	1.32901
Golf Courses	N/A	0.86359
Agriculture	N/A	1.32901

City Council's concurrence in the recommendations in decision item CR13-16, 2013 Reassessment Tax Policy also approved a phase-in of property tax changes be implemented for the Commercial and Industrial class of properties for changes in property taxes as a result of the 2013 reassessment, whereby the phase-in shall be revenue-neutral by phasing in decreases and increases, with decreases and increases applied as follows:

- (a) 2013 increases and decreases limited to 1/3 of the property tax change.
- (b) 2014 increases and decreases limited to 2/3 of the property tax change
- (c) 2015 the full increase or decrease would be applied

Regina Public Library Mill Rate

At the February 19, 2013 meeting of City Council the following decision was made regarding report CR13-14 Regina Public Library Board 2013 Budget: "That the recommendation of the Regina Public Library contained in the communication be concurred in." As a result, the approved 2013 Library mill rate levy is 0.8947.

Regina Downtown Business Improvement District Mill Rate

At the March 18, 2013 meeting of City Council the following decision was made regarding report CR13-44 Regina Downtown Business Improvement District 2013 Budget:" That City Council approve the proposed 2013 mill rate for Regina Downtown of 0.7388 mills"

Regina's Warehouse Business Improvement District

At the April 2, 2013 Finance and Administration Committee meeting Regina's Warehouse Business Improvement District submitted its proposed 2013 Budget and recommended that a

mill rate of 0.7588 be imposed on all property used or intended to be used for business purposes within the business improvement district.

Education Mill Rate

On March 20, 2013, the Province established the property tax mill rates used to levy education taxes by all public school divisions. The following are the rates established for 2013:

(a)	agricultural property class	2.67 mills
(b)	residential property class	5.03 mills
(c)	commercial and industrial property class	8.28 mills
(d)	resources property tax	11.04 mills

In addition to setting the above mill rates, the Province will be enacting changes to *The Education Regulations, 1986* to establish a new property class for resource properties. The definition of the “resource property class” is as follows:

“Resource Property Class” means:

- (a) land and improvements used or intended to be used for mines or petroleum oil wells and gas wells; or
- (b) pipeline and other land and improvements used in conjunction with a pipeline.

This addition of a new class allows the Province to set a different mill rate for these properties for the purpose of collecting the educational portion of property taxes.

In order to administer the above change so that it will fit with the City’s computer systems, it is necessary for City Council to establish resource properties as a municipal sub-class of commercial and industrial properties. This will make the classes and subclasses consistent for both municipal and educational property taxes. It is proposed that the municipal mill rate factor for resource properties be the same as the industrial and commercial mill rate of 1.3290.

Under *The Education Act* the separate school boards of education, prior to April 20th can elect to set a different mill rate than the one set by the province. The Board of Education of the Regina Roman Catholic Separate School Division No. 81 of Saskatchewan have advised that they will be recommending using the above rates for 2013. The Administration will incorporate the mill rates chosen by the Regina Roman Catholic Separate School Division No. 81 of Saskatchewan into the bylaws that will be submitted for consideration by City Council on April 29, 2013.

RECOMMENDATION IMPLICATIONS

Financial Implications

The Regina Property Tax Bylaw 2013 sets the mill rates to be levied on all taxable assessments in the City to raise the money required by the City, the Public Library and the business improvement districts for 2013.

The School Division Property Tax Bylaw authorizes the City to levy and collect taxes on property of the taxable assessment of the Board of Education of the Regina School Division No. 4 of Saskatchewan and the Board of Education of the Regina Roman Catholic Separate School Division No. 81 of Saskatchewan.

Environmental Implications

There are none associated with this report.

Policy and/or Strategic Implications

There are none associated with this report.

Other Implications

The setting of the Resource Mill Rate Factor does not impact municipal taxes. It allows the City to administer changes the Province has made to the Education Property Tax.

Accessibility Implications

There are none associated with this report.

COMMUNICATIONS

A copy of this report has been provided to Regina Downtown Business Improvement District, Regina's Warehouse Business Improvement District, the Regina Public Library and the School Boards. The Administration will work with its Communications branch to create a communications strategy to disseminate appropriate information to the public.

DELEGATED AUTHORITY

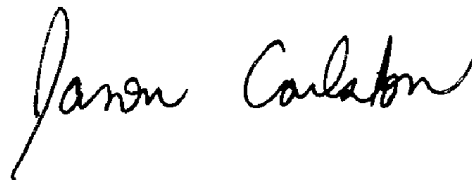
This report must be forwarded to City Council for approval.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Don Barr".

Don Barr, Director / City Assessor
Assessment, Tax and Real Estate

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Jason Carlston".

Jason Carlston,
Deputy City Manager Community Planning and
Development

Report prepared by:
Jeff May, Manager Financial Planning