

Boundary Alteration - 2021 Property Tax Exemptions

Date	March 17, 2021
To	Executive Committee
From	Financial Strategy & Sustainability
Service Area	Assessment & Property Revenue Services
Item No.	EX21-20

RECOMMENDATION

The Executive Committee recommends that City Council:

1. Approve the property tax exemptions as listed in Appendix B subject to the Government of Saskatchewan approving the exemption or partial exemption of the education portion of the taxes for amounts that are \$25,000 or greater.
2. Instruct the City Solicitor to bring forward the necessary bylaw to provide for the property tax exemptions listed in Appendix B.
3. Authorize the Executive Director Financial Strategy & Sustainability or delegate to apply to the Government of Saskatchewan on behalf of property owners for any exemption of the education portion of the taxes that is \$25,000 or greater as outlined in Appendix B.
4. Approve these recommendations at its March 31, 2021 meeting.

ISSUE

This report identifies the properties affected by the 2014 boundary alteration requiring Committee and Council approval for 2021 property tax exemptions. Property tax mitigation tools and principles for properties affected by the 2014 boundary alteration were approved in Report CM13-14: Reconsideration of 2013 Boundary Alteration CM13-14 on November 6, 2013 and Report CR19-15 Boundary Alteration 2019 Property Tax Exemptions on February 25, 2019. These principles and tools were designed to plan the City's long-term growth needs, as outlined in the *Design Regina: The Official Community Plan Bylaw No. 2013-48*

(OCP), while protecting the property owners from unreasonable financial hardship.

IMPACTS

Financial Impact

The estimated financial impact for 2021 is approximately \$273,632 in municipal levies. The estimated cost for the remaining two-year period of 2022 - 2023 is approximately \$547,263 in municipal levies. The estimated cost for the next five-year period of 2024-2028 is \$1,368,158 in municipal levies.

Exemption levies are reflected in the 2021 budget.

Policy/Strategic Impact

The recommendation for property tax exemptions outlined in Appendix B of this report are consistent with Council principles and past exemption approvals.

Other Impacts

The education portion of the taxes is subject to *The Education Property Tax Act* which specifies that any exemption of education taxes that is \$25,000 or greater in any given year, must be approved by the Government of Saskatchewan. Due to the 2021 revaluation, estimated education levies are unavailable at this time.

OTHER OPTIONS

None with respect to this report.

COMMUNICATIONS

All affected landowners will receive communication with respect to the resolutions passed by Council regarding assessment exemptions for lands within the Boundary Alteration area.

The exemptions outlined in this report will be reflected on the 2021 Property Tax Notices for the affected properties.

Copies of the report will be provided to the Ministry of Education, Regina Roman Catholic Separate School Division No. 81, and the Regina Public Library Board.

DISCUSSION

On November 6, 2013, Council approved the recommendations in CM13-14 for the boundary alteration. All lands affected by the boundary alteration are outlined in Appendix A.

The report contained the following tax mitigation principles:

- Protect the property owner, whose land is annexed into the City of Regina from unreasonable financial hardship;
- Balance the need to protect the City’s financial viability with protecting its long-term growth needs;
- Property tax mitigation will be applied through existing legislation; and
- Property tax mitigation will expire over time either when the property is developed or when the time frame for the mitigation expires.

The mitigation tools applied to each category, beginning in 2014, are shown in Table 1: Approved Tax Mitigation Tools. The levels of mitigation applied to each category were designed to reflect the levels of services that the property received over the period. All properties receiving mitigation are subject to mill rate increases.

Table 1: Approved Tax Mitigation Tools

Category	Tax Mitigation
Commercial Corridor	<ul style="list-style-type: none"> ▪ Five-year tax mitigation, which phases in the City taxation levels on the commercial properties, at a rate of 20% per year. ▪ Fully taxable at City of Regina mill rates in 2018.
New Neighbourhood (300k population) *	<ul style="list-style-type: none"> ▪ Five-year tax mitigation whereby the taxes would remain at RM levels. ▪ Fully taxable at City of Regina mill rates in 2019.
Future Long-Term Growth (500k population)	<ul style="list-style-type: none"> ▪ Five-year tax mitigation, whereby the taxes would remain at RM levels which may be extended to 10 (approved in CR19-95) and then 15 years. ▪ This recognized that longer-term growth areas would not be eligible for development and servicing under the growth plan and would remain as largely rural lands zoned as urban holdings for longer term.

*Agricultural properties within the Commercial Corridor were identified as New Neighbourhood (300k population) as they were not identified as employment lands in the OCP.

Properties where the tax difference between the 2013 rural taxes and the 2014 estimated municipal tax was less than \$10 do not receive tax mitigation. There are some linear properties, such as pipelines and railways, within the boundary alteration area crossing through the city that did not receive tax mitigation.

In 2018, commercial properties in the Commercial Corridor category became fully taxable at City of Regina rates in 2018. In 2019 all properties in the original New Neighbourhood (300K population) category became taxable at City of Regina rates and, Council approved the next five years (2019-2023) of mitigation for properties in the Future Long-Term Growth (500K population) mitigation area. Subsequent requests from some agricultural property owners in the New Neighbourhood (300K population) resulted in extending mitigation for these property owners. As properties in the approved mitigation area are developed, they are removed from mitigation.

The levels of mitigation applied to the property reflect the levels of services that the property receives. Existing uses of the land will continue until the land is planned for development. Development will occur in a staged approach consistent with growth management policies in the OCP and development regulations in the Zoning Bylaw to ensure an orderly transition from primarily agricultural land to urban development.

DECISION HISTORY

Property tax mitigation tools and principles for properties affected by the 2014 boundary alteration were approved in Report CM13-14: Reconsideration of 2013 Boundary Alteration on November 6, 2013. Mitigation was approved for a five-year period which ended in 2018.

Council approved Report CR19-15 Boundary Alteration Property Tax exemptions on February 25, 2019, creating a new mitigation category, South East Mitigation and set the direction for the next five years of mitigation for properties in the new category and the Future Long-Term Growth (500K population) mitigation areas.

On October 28, 2019, Council approved report: CR19-95: Dewdney West Boundary Alteration - 2019 Property Tax Exemption Request. This report granted a property tax exemption for three agricultural properties in the New Neighbourhood (300K population) area for 2019 with a recommendation for exemptions for 2020-2023 and reconsideration for an additional 5 years.

On January 29, 2020, Council approved report CR19-118: 2019 Tax Exemption Request - Boundary Alteration. This report granted a property tax exemption for two agricultural properties in the New Neighbourhood (300K population) area for 2019 with a recommendation of exemptions for 2020-2023 and reconsideration for an additional five years.

On February 26, 2020, Council approved report CR20-18: Property Tax Exemption Request – 600 Pinkie Road. This report granted a property tax exemption for one agricultural property in the New Neighbourhood (300K population) area for 2020 and recommendation of exemptions for an additional 3 years (2021-2023) and reconsideration for an additional 5 years.

On May 27, 2020, Council approved report CR20-48: Property Tax Exemption Request - 5000 & 5800 Armour Road. This report granted a property tax exemption for 2 agricultural property in the New Neighbourhood (300K population) area for 2020 and recommendation of exemptions for an additional 3 years (2021-2023) and reconsideration for an additional 5 years.

The recommendations contained within this report require City Council approval.

Respectfully Submitted,


Deborah Bryden - Director, Assessment & Property Revenue Services, 3/8/2021

Respectfully Submitted,


Barry Lacey, Exec. Director, Financial Strategy & Sustainability, 3/12/2021

Prepared by: Tanya Mills, Manager, Assessment & Property Systems

ATTACHMENTS

- Appendix A - Tax Mitigation Area Maps
- Appendix B - Mitigation Properties-2021 Estimated Levy