

2021 Revaluation Update and Tax Policy

Date	March 31, 2021
To	Mayor Masters and City Councillors
From	Executive Committee
Service Area	Financial Strategy & Sustainability
Item #	CR21-51

RECOMMENDATION

That City Council:

1. Adopt the following principles in establishing mill rate factors for 2021:
 - a. That the relative share of property taxes between the Residential and Non-Residential Properties does not change due to revaluation.
 - b. That long-term stability be considered in establishing tax policies for mill rate factors;
2. Continue the subclass for Golf Courses and the mill rate factor set so that the effective tax rate is equal to 65 per cent of the effective commercial tax rate;
3. Establish the following classes and subclasses of property along with the following mill rate factors for the group of residential classes of properties and the group of non-residential properties such that the above recommendations are applied, and the mill rate factors be set at:

CLASS	SUBCLASS	MILL RATE FACTOR
Residential	Residential (including condominiums)	0.91034
	Multi-Family Residential	0.91034
Commercial/Industrial	Commercial and Industrial	1.2495
	Railway and Pipeline	1.2495
	Resource	1.2495
	Golf Courses	0.81197
Agricultural	N/A	1.2495

4. Implement a phase-in of property tax changes for the non-residential properties for changes in property taxes as a result of the 2021 revaluation, whereby the phase-in shall be revenue-neutral by phasing in decreases and increases, with decreases and increases applied as follows:
 - 2021 increases and decreases limited to 1/3 of the property tax change.
 - 2022 increases and decreases limited to 2/3 of the property tax change.
 - 2023 the full increase or decrease would be applied;
5. Instruct the City Solicitor to prepare the necessary bylaws needed to implement the above recommendations in spring 2021 once the City receives the education mill rate from the Government of Saskatchewan and approves the mill rates for the Business Improvement Districts;
6. Remove item CR20-58(1) from the Outstanding Items List for City Council;
7. Direct Administration to implement a phase-in of property tax changes to multi-family residential properties for changes in property taxes as a result of the 2021 revaluation, subject to three conditions being met: the property is multi-family residential, the property is owned and operated by a non-profit entity, and the property saw more than a 100% increase in its municipal property taxes as a result of the 2021 revaluation. The phase-in shall be applied as follows:
 1. 2021 increase limited to 1/3 the of the property tax change
 2. 2022 increase limited to 2/3 of the property tax change
 3. 2023 the full increase would be applied; and
8. Direct Administration to provide information on the removal of the mill rate subclass for Golf Courses and instead tax Golf Courses according to the effective commercial tax rate as part of the "Property Tax Review report" that is to come forward to the Executive Committee in Q3 of 2021.

HISTORY

At the March 17, 2021 meeting of the Executive Committee, the Committee considered the attached EX21-23 report from the Financial Strategy & Sustainability Division.

The Committee adopted a resolution to concur in the recommendations contained in the report, and the following amendments:

That City Council:

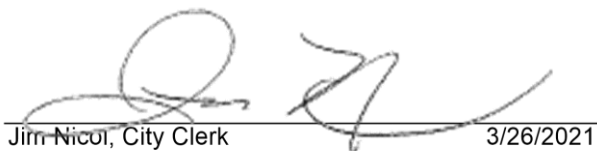
1. Direct Administration to implement a phase-in of property tax changes to multi-family residential properties for changes in property taxes as a result of the 2021 revaluation, subject to three conditions being met: the property is multi-family residential, the property is owned and operated by a non-profit entity, and the

property saw more than a 100% increase in its municipal property taxes as a result of the 2021 revaluation. The phase-in shall be applied as follows:

1. 2021 increase limited to 1/3 the of the property tax change
 2. 2022 increase limited to 2/3 of the property tax change
 3. 2023 the full increase would be applied; and
2. Direct Administration to provide information on the removal of the mill rate subclass for Golf Courses and instead tax Golf Courses according to the effective commercial tax rate as part of the "Property Tax Review report" that is to come forward to the Executive Committee in Q3 of 2021.

Respectfully submitted,

EXECUTIVE COMMITTEE



Jim Nicol, City Clerk 3/26/2021

ATTACHMENTS

EX21-23 - 2021 Revaluation Update and Tax Policy

Appendix A - Assessment Changes by Ward

Appendix B - Range of % Change in Assessment

Appendix C - Range Breakdown Municipal Tax Increase / Decrease

Appendix D- Analysis of Commercial Phase-in

Appendix E-1 Commercial Municipal Tax Change with Phase-in

Appendix E-2 Commercial Municipal Tax Change No Phase-in