

# Assessment Services

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## 2025 TAX RATE BYLAW

1<sup>st</sup> Reading

March 25, 2025

# 2025 BUDGET

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## PROPERTY TAX REVENUE

- 2025 Budget deliberations were based on the 2024 actual property tax levy totals
- Council direction defined the 2025 Residential property tax rate increase of 3.4%
  - **Council Resolution 24.563** - “THAT Council approves the 2025 Operating Budget requirements of \$2,165,000 and the 2025 Capital Plan requirement of \$18,887,934, as presented in Appendices A and B, attached to and forming part of this meeting’s minutes, representing a 3.4% tax levy increase”
  - A \$500,000 residentially assessed property was the example property discussed to define the impacts of a 3.4% tax levy increase
- Council direction for any unbudgeted assessment growth revenue to be placed in the Cash Flow Reserve
  - **Council Resolution 24.456** - “...AND FURTHERMORE THAT Council directs administration to transfer operating surpluses and all property tax unbudgeted growth revenue to the Cash Flow Reserve to achieve the minimum balance as per Policy C-2B.040”

# 2025 TAX RATE BYLAW – 1<sup>st</sup> READING

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## 2024 ASSESSMENT ROLL FOR 2025 TAX LEVY

- All 2024 Assessment Rolls for 2025 Tax Levy comprise of
  - Municipal Assessors – all Farmland, Residential and Non-Residential Property not defined as Designated Industrial Property
  - Provincial Assessor – Designated Industrial Property Linear, and
  - Provincial Assessor – Designated Industrial Property Non Linear
- All Rolls were received by February 28, 2025
- Material Assessment Growth are defined in the following areas
  - Linear
    - Annual Growth
    - Well and Pipeline (3 year property provincial tax holiday ending)
  - Machinery & Equipment Annual Growth
  - Assessment Year Modifier

# 2025 TAX RATE BYLAW – 1<sup>st</sup> READING

## 2025 TAX RATES

- 2025 Municipal Tax Rate Details
  - Non-Residential vs Residential tax rate is at the 5:1 legislated ratio
  - Non-Residential tax rates in Ward 6 North is at 70% of the regular MD Non-Residential rates (as per Order in Council 121 / 2021)
  - Small Business tax rate is 80% of the Non-Residential tax rate
  - Residential Tax Rate reflects a 3.4% municipal levy increase on a \$500,000 residentially assessed property
    - This is a \$46.89 estimated increase on the municipal portion of the tax levies
- 2025 Requisitions Details
  - Public and Separate School requisitions have been received
  - Lakeland Lodge requisition has been received
  - Greater North requisition has not been received at the time of preparing the bylaw
  - Designated Industrial requisition has not been received at the time of preparing this bylaw

# 2025 TAX RATE BYLAW – 1<sup>st</sup> READING

## TAX RATE BYLAW 1<sup>ST</sup> READING OBJECTIVE

- Focus on the municipal tax rates
  - Council review of rates and provide direction to Administration on municipal tax rates for 2<sup>nd</sup> and 3<sup>rd</sup> reading of this bylaw if needed
  - Non-Residential tax rates in Ward 6 North is at 70% of the regular MD Non-Residential rates (as per Order in Council 121 / 2021)
- Areas of this bylaw that will be revised for 2<sup>nd</sup> and 3<sup>rd</sup> reading
  - Requisition to be updated (requisition totals and tax rates)
    - Greater North Foundation
    - Designated Industrial Properties
  - “Estimated municipal expenditures and transfers set out in the budget”, “municipal revenues and transfers from all sources other than taxation” and revenue “to be raised by general municipal taxation”, in paragraphs 4 & 5 of page 1 of the bylaw, will be revised to reflect
    - The updated requisitions
    - Any other updates to the bylaw or 2025 budget

# 2025 TAX RATE BYLAW – 1<sup>st</sup> READING

## UNBUDGETED GROWTH

- Estimated municipal tax revenue growth is \$4.28 million and defined as follows;
  - Linear Growth & Well and Pipeline (3-year property provincial tax holiday ending) - \$1.65 million
  - Machinery & Equipment - \$ 430,000
  - Assessment Year Modifier - \$2.2 million
  - These numbers are estimates based on the Non-Residential Municipal tax rate in the bylaw and subject to change for 2<sup>nd</sup> reading
  - The estimates do not include any growth in Ward 6 North as the municipality is required to distribute 97% of the growth in that area as per Order in Council 121/2021)
- The 2024 Assessment Year, 2025 Tax Year is not a typical growth year.
  - The 3-year tax holiday on wells and pipelines is not expected to occur again
  - The Assessment Year Modifier was higher than typical
    - These rates usually have subtle increase, decrease, or remain the same. In addition, each year will include another year of depreciation applied against the assessment.
    - If the current Assessment Year Modifier decreased by 2%, this would have resulted in an estimated revenue shortfall of \$1.9 million, to be funded by budget adjustments or the Cash Flow Reserve.

# 2025 TAX RATE BYLAW – 1<sup>st</sup> READING

## UNBUDGETED GROWTH – WHERE DOES IT GO?

- As per Council Resolution 24.456, unbudgeted growth is to be transferred to the Cash Flow Reserve as per Policy C-2B.040
  - Council Resolution 24.456 – “...AND FURTHERMORE THAT Council directs administration to transfer operating surpluses and all property tax unbudgeted growth revenue to the Cash Flow Reserve to achieve the minimum balance as per Policy C-2B.040.”
- 2025 budgeted items funded by the unbudgeted growth are as follows
  - \$400,000 to meet Council direction of a 3.4% residential municipal tax increase
- Therefore, unbudgeted growth to be transferred to the Cash Flow Reserve is tentatively \$3.88 million (\$4.28 million - \$400,000)

# 2025 TAX RATE BYLAW – 1<sup>st</sup> READING



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## QUESTIONS