

2020 Property Tax Levy and BID Levies

ISSUE

City Council approval for the 2020 Property Tax Bylaws and Business Improvement District (BID) Levy Bylaw is required in order to issue tax notices in May 2020.

RECOMMENDATION

1. That Bylaw No. 9698, The Saskatoon Property Tax Bylaw, 2020 be considered;
2. That Bylaw No. 9699, The School Division Property Tax Bylaw, 2020 be considered; and
3. That Bylaw No. 9697, The Business Improvement Districts Levy Bylaw, 2020 be considered.

BACKGROUND

Each year in accordance with *The Cities Act*, City Council approves the property tax bylaws which authorize the Administration to issue the annual tax notices to all taxable properties. Bylaws are prepared to include the tax rates sufficient to raise the amount of funds as approved in the budget and also include the decisions on tax policies, such as the City's municipal tax policy and appeal loss contingencies for non-residential properties.

DISCUSSION/ANALYSIS

The Saskatoon Property Tax Bylaw

The 2020 municipal and library tax rates in The Saskatoon Property Tax Bylaw, 2020 (Appendix 1) include previous City Council decisions regarding budget requirements and tax policy. Based on these decisions, the uniform mill rate sufficient to raise the taxes for the City of Saskatoon (City) is 7.0802 mills and the library mill rate required is 0.7298 mills. These prior City Council decisions are as follows:

- A municipal budget increase of 3.7% (2.25 % required to maintain civic services and 1.45% for business plan initiatives) and a library budget increase of 3.75%, approved at the Business Plan and Budget Review meeting held November 25-27, 2019.
- For this reassessment cycle (2017-2018), a reduction of the tax ratio between residential and non-residential properties from 1.75 to 1.59, approved on February 27, 2017. Continuation of the existing 1.59 tax ratio for 2020 results in a 0.031% shift from residential to commercial properties.
- A \$1,000,000 appeal contingency to be added to the property tax levy for the commercial/industrial property class for 2020, approved on February 24, 2020.

The School Division Property Tax Bylaw

The City is responsible to bill and collect education property tax on behalf of the school boards. The City does not keep the education property tax portion for the provision of civic services. The education mill rates are set by the Province of Saskatchewan which are included in The School Division Property Tax Bylaw, 2020 (Appendix 2). There is no increase to the education mill rates for 2020. The Saskatoon Separate School Division sets its own mill rates and has adopted the provincial rates.

The Business Improvements Districts (BIDs) Levy Bylaw

The BIDs' budget requirements determine the levy amount to be charged to commercial properties within the respective BID areas. At its meeting on February 24, 2020, City Council approved the 2020 budget submissions for all five BIDs. The rates sufficient to raise the budget requirements are included in The Business Improvement Districts Levy Bylaw, 2020 (Appendix 3).

2020 Typical Single-Family Home Property Tax Increase

A typical single-family home with an assessed value of \$371,000 will see an increase in total property tax (municipal, library and education) of \$70, or 2.41%, from 2019 to 2020, as shown in the following table.

	2019 Tax	2020 Budget	2020 Shift	2020 Tax
City	\$1,888	\$70	\$0.59	\$1,598
Library	\$ 193	\$ 9	\$0.06	\$ 202
Education	\$1,223	\$ 0	n/a	\$1,223
Total Tax	\$3,304	\$79	\$ 1	\$3,023
% increase 2020 tax compared to 2019 tax				2.41%

FINANCIAL IMPLICATIONS

The financial implications are outlined within this report.

OTHER IMPLICATIONS

There are no privacy, legal, social or environmental implications identified.

COMMUNICATION PLAN

Communications support for the mailing of the 2020 Property Tax Notice will include Public Service Announcements and social media messaging, as well as an information insert detailing the City's COVID-19 response and how financial flexibility is being provided to property owners through a 3-month grace period, TIPPS options, and the extended payment deadline to September 30, 2020. The 2020 Tax Rates, 2020 Mill Rate Bylaws, 2020 Property Tax Timeline, and other informative property tax information, including Frequently Asked Questions, will be updated on the City's website (saskatoon.ca/propertytax).

Communications will continue to promote awareness of the helpful online Property Assessment & Tax Tool found at saskatoon.ca/taxtool, where residents can enter their

address to view a detailed breakdown of their municipal property tax portion, their property's current and historical assessed value, and other tax information.

NEXT STEPS

Approval of the attached bylaws will facilitate production of the 2020 Property Tax Notices, the mailing of which will commence the second week of May 2020.

APPENDICES

1. Bylaw No. 9698, The Saskatoon Property Tax Bylaw, 2020
2. Bylaw No. 9699, The School Division Property Tax Bylaw, 2020
3. Bylaw No. 9697, The Business Improvement Districts Levy Bylaw, 2020

REPORT APPROVAL

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