

2021 Property Tax Levy and BID Levies

ISSUE

City Council approval for the 2021 Property Tax Bylaws and Business Improvement Districts (BIDs) Levy Bylaw is required in order to issue Property Tax Notices in May 2021.

RECOMMENDATION

1. That Bylaw No. 9754, The Saskatoon Property Tax Bylaw, 2021 be considered;
2. That Bylaw No. 9756, The Property Tax Phase-in Plan Bylaw, 2021 be considered;
3. That Bylaw No. 9755, The School Division Property Tax Bylaw, 2021 be considered; and
4. That Bylaw No. 9753, The Business Improvements Districts Levy Bylaw, 2021 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 include the decisions of City Council regarding the City of Saskatoon's (City) municipal tax policy and appeal loss contingencies.

DISCUSSION/ANALYSIS

The Saskatoon Property Tax Bylaw

The 2021 municipal and library tax rates in Bylaw No. 9754, The Saskatoon Property Tax Bylaw, 2021 (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 required tax revenue for the City is 7.8703 mills and the library mill rate required is 0.8113 mills. These prior City Council decisions are as follows:

- A municipal budget increase of 2.83% and a library budget increase of 3.88%, approved at City Council's Business Plan and Budget Review meeting on December 2, 2020.
- For this reassessment cycle (2021-2024), City Council approved the recommendation to maintain the existing 1.59 tax ratio on March 22, 2021. After consideration of the factors related to reassessment, continuation of the existing 1.59 tax ratio for 2021 results in a 4.75% shift from residential to commercial properties.

- The recommendation that a \$30,000 appeal loss contingency for the residential/condominium subclass, a \$50,000 appeal loss contingency for the multi-residential property subclass, and a \$1,000,000 appeal loss contingency for the commercial and industrial property class be added to the property tax levy for 2021 was approved on February 22, 2021. These contingency amounts are included in the uniform mill rate but are redistributed through the mill rate factors which ensures that the contingency levy is applied to the appropriate property subclasses.
- A two-year phase-in plan for the commercial and industrial property tax class was approved on February 22, 2021. This plan distributes the change in property tax due to reassessment over two years for individual commercial and industrial properties, with 50% being phased in for 2021 and 50% in 2022. For clarity, the calculations for the approved plan included the agricultural property tax class with the commercial and industrial property tax class; this is reflected in Bylaw No. 9756, The Property Tax Phase-In Plan Bylaw, 2021 (Appendix 2).

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 (Province) which are included in Bylaw No. 9755, The School Division Property Tax Bylaw, 2021 (Appendix 3). On April 6, 2021, the Province announced an increase to the education mill rates for the residential, commercial and industrial, and resource property classes, and a decrease for the agricultural property class. The Saskatoon Separate School Division sets its own mill rates and has adopted the provincial rates. The overall education mill rate increase results in an overall 0.51% increase to the education property tax that will be collected by the City for 2021.

The Business Improvement 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 22, 2021, City Council approved the 2021 budget submissions for all five BIDs. The rates sufficient to raise the budget requirements are included in Bylaw No. 9753, The Business Improvement Districts Levy Bylaw, 2021 (Appendix 4).

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2021 Typical Single-Family Home Property Tax Increase

A typical single-family home with an assessed value of \$344,000 will see a decrease in total property tax (municipal, library and education) of \$37 or 1.11% from 2020 to 2021, as shown in the following table.

	2020 Tax	2021 Budget	2021 Shift to 1.59	2021 Tax
City	\$1,959	\$55	(\$ 96)	\$1,919
Library	\$ 200	\$ 8	(\$ 10)	\$ 198
Education	\$1,223	\$ 5	\$ 0	\$1,227
Total Taxes	\$3,382	\$68	(\$106)	\$3,344
<i>% decrease 2021 final tax compared to 2020 final tax</i>				<i>-1.11%</i>

FINANCIAL IMPLICATIONS

The financial implications are outlined within this report.

OTHER IMPLICATIONS

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

COMMUNICATION PLAN

A strategic communication plan has been developed to support the 2021 Property Tax mail-out to residents. Communication activities will include, but may not be limited to, the following:

- Property Tax Notices will be mailed in an envelope marked “This is your Property Tax Notice.” A direct link to the [2021 Property Tax](#) information webpage and phone number is also printed on the envelope.
- An informative property tax guide will accompany the Property Tax Notice mailing and will also be available online.
- The online Property Assessment and Tax Tool will be updated with the 2021 tax information. This tax tool allows the viewer to see the current and historical assessment and property tax details for a specific address including the City’s tax distribution for key civic services.
- Public Service Announcements will be sent before Property Tax Notices are mailed and again prior to the payment deadline of June 30, 2021.
- The [City’s website](#) will be updated with the 2021 Tax Rates and 2021 Mill Rate Bylaws, the 2021 Property Tax Timeline, and Property Tax FAQs.

NEXT STEPS

Approval of the attached bylaws will facilitate production of the 2021 Property Tax Notices, the mailing of which will commence the second week of May 2021.

APPENDICES

1. Bylaw No. 9754, The Saskatoon Property Tax Bylaw, 2021
2. Bylaw No. 9756, The Property Tax Phase-in Plan Bylaw, 2021
3. Bylaw No. 9755, The School Division Property Tax Bylaw, 2021
4. Bylaw No. 9753, The Business Improvement Districts Levy Bylaw, 2021

REPORT APPROVAL

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