
2019 Property Tax Levy and BID Levies

Recommendation

1. That Bylaw No. 9570, The Saskatoon Property Tax Bylaw, 2019 be considered;
2. That Bylaw No. 9571, The School Division Property Tax Bylaw, 2019 be considered; and
3. That Bylaw No. 9569, The Business Improvement Districts Levy Bylaw, 2019 be considered.

Topic and Purpose

The purpose of this report is to obtain City Council approval for the 2019 property tax bylaws and the Business Improvement District (BID) levy bylaw.

Report Highlights

1. The 2019 Saskatoon Property Tax Bylaw includes the following City Council decisions:
 - budget increases for the City of Saskatoon (City) and the Saskatoon Public Library;
 - a shift in tax to commercial from residential to retain the 1.59 tax ratio policy; and
 - a contingency against appeal losses on commercial properties.
2. The 2019 total property tax increase for a typical single family is \$92 (2.88%), which includes municipal, library, and education tax.

Strategic Goals

This report supports the Strategic Goal of Asset and Financial Sustainability by ensuring that services are aligned with what citizens expect and are able to pay.

The information in this report also supports the Strategic Goal of Continuous Improvement with a focus on providing the best possible services using innovative and creative means.

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.

Report

The Saskatoon Property Tax Bylaw

The 2019 municipal and library tax rates in The Saskatoon Property Tax Bylaw, 2019 (Attachment 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 is 6.8161 mills and the library mill rate required is 0.06951 mills.

These prior City Council decisions are as follows:

- A municipal budget increase of 4.4% (3.16% required to maintain civic services and 1.24% for business plan initiatives) and a library budget increase of 6.5%, approved at the Business Plan and Budget Review meeting on November 26 and 27, 2018.
- For this reassessment cycle (2017 to 2020), 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 2019 results in a 0.05% shift from residential to commercial properties.
- A \$500,000 appeal contingency to be added to the property tax levy for the commercial/industrial property class for 2019, approved on February 25, 2019.

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 (Attachment 2), which are included in The School Division Property Tax Bylaw, 2019 (Attachment 3). There is no increase to the education mill rates for 2019. 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 25, 2019, City Council approved the 2019 budget submission for all five BIDs. The rates sufficient to raise the budget requirements are included in The Business Improvement Districts Levy Bylaw, 2019 (Attachment 4).

2019 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 \$92 or 2.88% from 2018 to 2019, as shown in the following table.

	2018 Tax	2019 Budget	2019 Shift	2019 Tax
City	\$1,808	\$79	\$0.85	\$1,888
Library	\$ 181	\$12	\$0.09	\$ 193
Education	\$1,223	\$ 0	n/a	\$1,223
Total Tax	\$3,212	\$91	\$ 1	\$3,304
% increase 2019 tax compared to 2018 tax				2.88%

Options to the Recommendation

City Council needs to approve the bylaws in order to issue tax notices in May 2019. The Administration is not presenting any other options for consideration.

Communication Plan

Communications support for the mailing of the 2019 Property Tax Notice will include Public Service Announcements and social media messaging. The 2019 Tax Rates, 2019 Mill Rate Bylaws, 2019 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 view a detailed breakdown of their municipal property tax portion, their property's current and historical assessed value, and other tax information.

Financial Implications

The financial implications are outlined within this report.

Other Considerations/Implications

There are no policy, environmental, privacy, or CPTED implications or considerations, and public and/or stakeholder involvement is not required.

Due Date for Follow-up and/or Project Completion

Approval of the attached bylaws will facilitate production of the 2019 Property Tax Notices, the mailing of which will commence the second week of May 2019.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Attachments

1. Bylaw No. 9570, The Saskatoon Property Tax Bylaw, 2019
2. Letter – 2019 Education Mill Rates – Minister of Government Relations, dated March 20, 2019
3. Bylaw No. 9571, The School Division Property Tax Bylaw, 2019
4. Bylaw No. 9569, The Business Improvement Districts Levy Bylaw, 2019

Report Approval

Written by: Pamela Kilgour, Property Tax and Support Manager

Reviewed by: Clae Hack, Director of Finance

Mike Voth, Director of Corporate Revenue

Approved by: Kerry Tarasoff, Chief Financial Officer

2019 Property Tax Levy and BID Levies.docx