



STAFF REPORT

Title: 2020 School Board Requisition

Meeting Date: May 19, 2020

Executive Summary:

Prior to Council giving consideration to the Tax Rate Bylaw, Council should be aware that the province cancelled the planned increase to the education property tax.

The Alberta Government released the 2020 provincial budget on February 27, 2020 which included an education property tax rate increase of 3.4%. Although there was an increase in the School Requisition, the City's portion of the preliminary Provincial requisition had gone down 2% due to the inflationary decrease of property assessments in Cold Lake in relation to the rest of the province.

In March 2020 the province announced that the planned increase was being cancelled due to the impact of the COVID-19 pandemic and the requisition would remain the same as 2019 at a levy of \$2.5 billion. The cancellation of the increase resulted in a decrease of 5% to the City of Cold Lake.

Background:

The City's School Board preliminary requisition decreased by \$127,603. Based on this preliminary requisition, the City's overall portion of the School Board requisition went down 1.9% however Residential decreased by 1.4% and Non-Residential increased by 5.3%. The effect would be a decrease in school taxation to residential and farmland however an increase would be seen by the Non-Residential Class.

The Alberta Government announced that there wasn't going to be an increase in the requisition for 2020. Based on the new requisition, the City's overall portion went down by 5.2% with Residential rate decreasing by 4.8% and Non-residential rate increasing by 1.9%. The effect will be a greater decrease in school taxation to residential and farmland as well as a smaller increase will be seen by the Non-Residential Class.



School Board Comparison 2020 to 2019							
	2019 Requisition	2020 Preliminary Requisition	2020 Preliminary Difference 2020-2019	% Change Preliminary 2020-2019	2020 Final Requisition	2020 Final Difference 2020-2019	% Change Final 2020- 2019
Total Requisition	6,828,899	6,701,296	- 127,603	-1.9%	6,474,212	- 354,687	-5.2%
School Board Rate							
Residential	2.7774	2.7374	- 0.0400	-1.4%	2.6440	- 0.1334	-4.8%
Non-Residential	3.7879	3.9892	0.2013	5.3%	3.8594	0.0715	1.9%

After utilizing the current assessment Administration's estimation is that Residential and Farmland school board rate will decrease 4.8% to 2.6440 and non-residential rates will increase 1.9% to 3.8594. School Board taxes are calculated using these rates per thousand dollars of the assessments for 2020 taxation year. Please note that the amount paid is contingent on your assessment for the 2020 taxation year and the increase depends on the assessment of the property and how it changed in relation to other properties of the City. City Residential assessments for 2020 taxation is currently estimated to have an average inflationary decrease of 3.5% and Non Residential an average inflationary decrease of approximately 2.0%.

Alternatives:

Informational

Recommended Action:

Informational

Budget Implications (Yes or No):

No

Submitted by:

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