

Education Property Tax Bulletin

A bulletin on the 2002 education property tax process

Spring 2002

Alberta's 2002 Education Property Tax Requisition

In response to fiscal pressures, the province has increased its requisition to 1.245 billion for the 2002/03 fiscal year.

The 2002 Requisition Formula

The province is calculating each municipality's 2002 requisition using the **lesser** of the following:

- An 8 percent requisition increase, by class, from the previous year;
 - An average of the 1999, 2000, 2001 and 2002 equalized assessments;
- or**
- A municipality's 2002 equalized assessment.

Provincial Uniform Education Tax Rates

(expressed in mills)

- Residential/farm land 5.57 mills
- Non-residential 8.17 mills

Impacts

- The requisition increase will be absorbed, in many municipalities, by growth in the assessment base.
- Increasing the cap on requisition growth to eight percent from five percent will help to improve the distributional equity of the requisition among municipalities.

Exemptions

Electric power generation properties continue to receive a 50 percent exemption from education property taxes.

Details on the process for calculating the exemption are included with the requisition packages issued to affected municipalities.

Blending Local Education Property Tax Rates – 2001 School Act Amendments

In the fall of 2001, the province amended the School Act to ensure that the local education property tax rates within a municipality are the same for public and separate school purposes. This amendment formalizes the province's intent to treat all education property taxpayers equitably.

School Act Amendments

Alberta Learning amended Section 164 of the School Act by adding the following provision after subsection (2):

(2.1) In Subsection (2)(b), the reference given in accordance with section 156 is a reference to a notice effective as at December 31 of the year preceding the year for which the requisition is made.

Basing the education requisition on the current school support declarations results in harmonized, or blended, local education property tax rates.

The blending process does not change the total education requisition, it simply redistributes the total amount of the requisition between the Alberta School Foundation Fund and the separate opted-out board.

The province also added a section to validate past requisitions:

164.1 A requisition calculated under section 164 before the coming into force of this section is deemed to be valid and binding notwithstanding any error, defect or omission in the requisition.

Under this amendment there is no recourse for ratepayers in municipalities that did not blend education property tax rates for past requisitions.

The Blending Process

1. The province issues preliminary requisitions to municipalities and to opted-out school boards, based on their equalized assessments.
2. Municipalities then remit their current taxable assessment by school support declaration to Municipal Affairs.
3. The department then reapportions the requisition and municipalities verify the adjustment.
4. Municipalities must use the tax rates that have been blended by the province, on their local tax bylaws. Municipalities should have the education property tax rates blended when they prepare their local bylaws.
5. The province revises and issues corrected requisitions and invoices.
6. Municipal Affairs confirms the use of blended rates.