

# Education Property Tax Bulletin

A bulletin on the 2003 education property tax process

Spring 2003

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## Alberta's 2003 Education Property Tax Requisition

The provincial school requisition is \$1.327 billion for the 2003/04 fiscal year. The requisition will ensure that Alberta's quality learning system continues to be among the best in the world.



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## Provincial Uniform Rates:

The provincial education property tax rates for the 2003 tax year are:

- residential/farm land     5.57 mills
  - non-residential             8.17 mills
  - machinery & equipment    0.00 mills
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## 2003 Requisition Formula

Each municipality's 2003 requisition will be based on the **least of**:

- an 8 per cent increase from the 2002 requisition
  - a 4-year average of the municipality's equalized assessments
  - the municipality's 2003 equalized assessment
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## Blended School Tax Rates on the Tax Rate Bylaw

Under section 164(2.1) of the *School Act*, municipalities are required to set the same local school tax rates for public and separate school board supporters.

This means that municipalities will need to work with the Assessment Services Branch (ASB) of Alberta Municipal Affairs to blend the local school tax rates to ensure they are uniform. ➤

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The first step is for municipalities to remit their current taxable assessments, allocated by school support declarations, to the ASB.

Alberta Municipal Affairs will then apportion the requisition using the current assessment data to provide municipalities with adjusted requisitions and school tax rates.



These rates must appear on municipal tax rate bylaws and tax notices.

The department will process each municipality's blended tax rates as soon as it receives the assessment data (usually within 1 or 2 days).

If you have any questions regarding this tax rate blending process, please contact the Education Tax and Equalized Assessment Unit at (780) 422-7125. ♦

## ***Over and under levies – Section 359(3) of the Municipal Government Act (MGA)***

On occasion, municipalities may collect too much or too little revenue to pay their requisitions.

These over or under collections can occur if the assessment base changes after the local tax rates are set.

A municipality that collects either too much or too little revenue to pay the requisitions must adjust for the differences when calculating the next year's tax rate. ♦

## ***Allowances for non-collection – Section 359(2) of the MGA***

A municipality may impose a separate tax rate to recover uncollectable taxes. Unlike an under or over levy, uncollectable taxes occur when tax accounts fall into arrears.

Section 359(2) allows a municipality to set a separate tax rate for uncollectable taxes in its tax rate bylaw “at a rate not exceeding the actual rate of taxes uncollected from the previous year's tax levy as determined at the end of that year.”

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Municipalities must set a separate tax rate for non-collection apart from all other rates in the local tax rate bylaw, and on the tax notices. ♦



## *School Requisition – Refund Policy Revision*

The province is changing its school property tax refund policy regarding corrections to equalized assessments. The refund policy will no longer be applied on school requisitions from prior years.

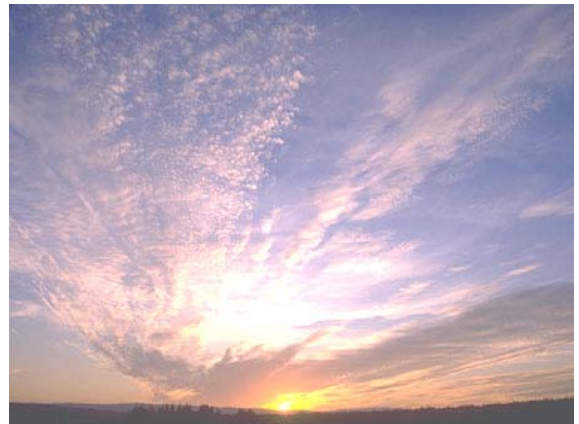
Since municipalities are required under section 330 of the MGA to limit tax roll corrections to the current year, the same practice is being applied to the provincial education requisitions. The province has

therefore revised its refund policy to correspond with the practices that municipalities must follow.

This means that the province will only collect or refund on current year requisitions.

However, this policy revision does **not** include adjustments resulting from Municipal Government Board and Assessment Review Board decisions.

The province will continue to correct all equalized assessments and school requisitions when errors, omissions, or misdescriptions are discovered. These corrections will be used to ensure the accuracy of current and future requisitions using the mitigation formulas. ♦



The Education Tax and Equalized Assessment Unit is working to achieve the Assessment Services Branch's goal for a well-managed and efficient assessment and property tax system in which stakeholders have confidence.

To assist in attaining this goal, the unit is working to improve the equalized assessment and requisitioning processes. The unit looks forward to receiving any questions or concerns your municipality may have respecting our products and services.

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