

Education Property Tax Bulletin

A bulletin on the 2006 education property tax process

March 2006

Alberta's 2006 education property tax requisition

The provincial education requisition is \$1.475 billion for the 2006-07 fiscal year. This is an increase of about 1.7 percent from 2005-06.

In 2005, the province had forecasted that the education requisition would increase to \$1.494 billion for the 2006-07 fiscal year. Since that time, government reduced its forecasted revenue requirement by about \$19 million.



Requisitions have been calculated on a calendar year basis to coincide with the municipal budget process. Therefore, the province will collect \$1.469 billion during the 2006 tax year.

2006 requisition formula

Each municipality's 2006 education requisition will be based on the ***least of:***

- A 12 percent increase from the 2005 requisition, by assessment class
- A four-year average of the municipality's equalized assessments, by assessment class, or
- The 2006 equalized assessment.

2006 provincial uniform education property tax rates

As a result of strong overall growth in assessment and the limited requisition increase, the province has been able to reduce its uniform education property tax rates by over seven percent for the 2006 tax year.

Property Class	2005 Tax Rates	2006 Tax Rates
Residential/farm land	5.17 mills	4.80 mills
Non-residential	7.59 mills	7.05 mills
Machinery & equipment	0.00 mills	0.00 mills

Requisitions incorporate current school declarations in 2006

For municipalities with both public and separate school boards, the initial 2006 education property tax requisitions have been apportioned using current school support declaration information from the ASSET (Assessment Shared Services Environment) system.

Therefore, unless your municipality's assessor has recently reported a change in the proportion of taxable assessment that is attributed to the public or separate school in the ASSET system, no further adjustment should be required to set the same rates for public and separate school supporters.

If your municipality's requisition does not result in the same local education property tax rates for public and separate school supporters, please complete the Current Taxable Assessment form, which is included with your municipality's requisition information package, and fax it to the Education Tax and Assessment Advisory Unit of the Assessment Services Branch at (780) 422-3110.

Requisition adjustments reflect assessment changes

Municipal Affairs uses a municipality's ASSET revision submissions to recalculate its equalized assessment and all of the education requisitions affected by the change. Requisition adjustments are only processed after a municipality's equalized assessment has been revised. The following information outlines the sequence of events that occur before a requisition is revised:

- Equalized assessments are revised after a municipality reports assessment changes into the ASSET system.
- Ministerial orders are prepared to authorize a change in the equalized assessment.
- Municipal Affairs uses the applicable revised equalized assessment in the requisition formula to recalculate the municipality's corresponding education requisition(s).
- If an adjustment to a municipality's education requisition is required, the revised requisition is sent to the municipality and to Alberta Education.
- If appropriate, Alberta Education adjusts the requisition account and invoice for the affected municipality.

To receive timely requisition adjustments, ask your assessor to remit assessment changes into the ASSET system as they occur, or on a regular basis.

Education tax policy on contaminated tax recovery lands

The education tax policy on contaminated tax recovery lands is in place to assist municipalities when the proceeds of a tax sale are inadequate to address the loss of property tax revenues in the current year.

Under the *Environmental Protection and Enhancement Act*, municipalities are required to pay environmental site remediation costs before recovering any outstanding property taxes on contaminated tax recovery properties. In such cases, a municipality can experience losses in both municipal and education property taxes.

This policy provides current year education requisition adjustments to eligible municipalities. To qualify for an adjustment, provide supporting documentation of the loss to Municipal Affairs. The province will consider the merits of each request on a case-by-case basis.

Education property tax rebate for seniors

Alberta Seniors and Community Supports is continuing to provide an annual rebate to assist senior homeowners with any year-to-year increases in the education portion of their property taxes.

Seniors remain responsible for paying the full amount of the education property taxes by the due date indicated on the municipality's property tax notice. Senior homeowners are eligible for a rebate to cover any increase over the education property tax paid on their residence since 2004, or beginning in the year after the citizen reaches the age of 65.

Questions about the education property tax rebate for seniors, including eligibility and how to apply, can be directed to the **Alberta Seniors Information Line at 1-800-642-3853 (in Edmonton, 427-7876).**

Minister's Council on Municipal Sustainability

Alberta Municipal Affairs recognizes that pressures facing municipalities and is continuing its work through the Minister's Council on Municipal Sustainability to examine the challenges facing municipalities. The council is exploring what is necessary to ensure the long-term sustainability of municipal governments in this province and is taking a close look at the education property tax.

Contact us on the [Education Tax Information Line](#) for inquiries about the 2006 education requisition: For toll-free access, call 310-0000, then enter (780) 422-7125.