

# Education Property Tax Bulletin

*A bulletin on the 2004 education property tax process*

Spring

2004

## *Alberta's 2004 Education Property Tax Requisition*

The province has reduced its uniform education property tax rates by about 2.3 per cent for the 2004 tax year. The provincial school requisition is \$1.404 billion for the 2004-05 fiscal year.

(net of \$6 million in contingencies) during the 2004 tax year.



| Property Class        | 2003 Tax Rates | 2004 Tax Rates |
|-----------------------|----------------|----------------|
| residential/farm land | 5.57 mills     | 5.44 mills     |
| non-residential       | 8.17 mills     | 7.99 mills     |
| machinery & equipment | 0.00 mills     | 0.00 mills     |

The requisition will ensure that Alberta's quality basic learning system continues to be among the best in the world.

### *2004 Requisition Formula*

Each municipality's 2004 education requisition will be based on the **least of:**

- an 8 per cent increase from the 2003 requisition,
- a 4-year average of the municipality's equalized assessments, or
- the municipality's 2004 equalized assessment.

Requisitions have been calculated using the reduced rates on a calendar year basis to coincide with the municipal budget process. Therefore, the province will collect \$1.385 billion

(over)

## ***Information Feature -- Equalized Assessment Adjustments***

Municipalities are requested to report assessment changes resulting from a Municipal Government Board order or court decision. Once the changes are received, the Assessment Services Branch (ASB), of Alberta Municipal Affairs, will revise the affected equalized assessments and recalculate the education requisition to determine if an adjustment is in order.

When a revised equalized assessment results in a change to the municipality's current year requisition, Alberta Municipal Affairs will advise Alberta Learning to adjust the affected invoice.

For linear property assessment changes, the ASB will obtain the applicable information from its Linear Property Assessment Unit and process any related education requisition changes. Municipalities will be notified in writing when a change to the linear assessment occurs.

## ***Requisition Refunds/Adjustments***

It is important to note that because the province caps and averages the equalized assessments that it uses to calculate the education requisitions, not all equalized assessment changes will result in a refund or adjustment to the education requisitions.

To ensure recovery of a shortfall, section 359(3) of the *Municipal Government Act* allows a municipality to increase its local education property tax rate in the next year. Or, in the case of an over levy, the municipality may reduce its local education property tax rate in the next year.



## ***Hardship Refunds***

Under the province's Alberta School Foundation Fund (ASFF) refund policy, a municipality that experiences a net loss of current year taxable assessment of more than two per cent may be eligible to apply for a hardship refund.

Refunds will be recommended when the net loss in the taxable assessment of a municipality exceeds two per cent of the Residential/Farm land or Non-Residential assessment category.

Only the amount over two per cent will be refunded by the ASFF. A municipality may accumulate the losses in taxable assessments in the current year.

***Contact us for more information:***

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Education Tax and Equalized Assessment Unit  
Assessment Services Branch  
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**Education Tax Information Line: (780) 422-7125**