

Regulated Tax Revenue Policy

Date Approved by Council: October 11, 2022 Resolution No.: 366/22

Mayor: "Original Signed – Alanna Hnatiw" County Commissioner: "Original Signed – Reegan McCullough"

1. Purpose

This policy establishes financial strategies to effectively manage tax revenues from industrial development in support of long-term financial stability.

2. Revision History

<i>Approval Date</i>	<i>Revision Number</i>	<i>Modification</i>
<i>October 11, 2022</i>	<i>1.0</i>	<i>New Document</i>

3. Persons/Areas Affected

Administration
Council

4. Definitions

- 4.1. "one-time budgeted expenditure" means a budgeted expenditure that is not expected to recur, such as a discretionary capital project. Generally, one-time budgeted expenditures will have some degree of long-term financial reliance; for example, capital investments require maintenance and eventual replacement.
- 4.2. "ongoing budgeted expenditures" means a budgeted cost that is expected to recur; for example, a staff position or a cost incurred based on a Council-approved service level.
- 4.3. "regulated tax revenue" means tax revenue that is generated from property assessments that are provincially regulated.

5. Policy Statement

- 5.1. Heavy industrial properties can also be referred to as "regulated properties" because their assessment methodology is governed by Provincial legislation. The applicable assessment regulations result in decreasing assessment values over time. As a result, tax revenue generated from regulated properties is also decreasing over time. Regulated properties provide a significant portion of the County's tax revenue, and the declining nature of these revenues diminishes long-term financial sustainability. To mitigate this risk, the County can monitor reliance on revenue from regulated properties and incorporate this information in Council's budget decision-making and long-term financial planning processes.

6. Responsibilities

Council shall:

- Consider the reliance on regulated tax revenue in the budget decision-making and long-term financial planning processes.

Administration shall:

- Provide financial reporting for regulated property tax revenue to Council.

The County Commissioner shall:

- Ensure implementation and compliance of this policy.

7. Procedures

7.1. Administration will prepare long-term financial projections of regulated property tax revenue and budgeted expenditures, adjusted for inflation.

7.2. Administration will determine at which point in the future the ongoing budgeted expenditures exceed the property tax revenue without a tax rate increase, because of declining regulated tax revenue.

7.3. At minimum, Administration will provide reporting on regulated tax revenues on an annual basis.

8. Cross Reference

Debt Management Policy

Reserve Policy

Strategic Plan Policy

Summary of Fiscal Principles, Practices and Policies

9. Miscellaneous

9.1. This policy rescinds the Significant Tax Revenue Growth Policy.