



Revenue & Taxation

Authority: Council

Effective Date: April 14, 2025

Date Approved by Council: April 14, 2025

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Future Review Date: 2029

Responsibility: Corporate Services

References: N/A

Replaces: Revenue & Taxation C-FS-051 (2021)

1.0 Purpose: To establish the Town of Stony Plain's policy regarding revenue generation. The Town shall follow the principles established within this policy for annual preparation of budgeting and rate setting for user fees and property taxation within the Town.

2.0 Scope: This policy covers revenue and taxation for all Town operations.

3.0 Definitions:

Comparative Municipalities – means Beaumont, Devon, Fort Saskatchewan, Leduc, Morinville, Spruce Grove and St. Albert

Direct Cost – means a cost that is directly related to producing a specific good or performing a specific service. Direct Costs include staff time to perform a service.

Fees – means the various fees as determined within Bylaws, contractual lease agreements, charges and rates that are set for various Town programs, licenses and services.

Indirect Cost – means a cost that is not directly related to the production of a specific good or service but may be reflected in pricing to ensure that costs are adequately recovered.

Tax Split – means the practice of using different tax rates for different assessment classes and the opportunity of assigning different rate increases to each class.

Town – means the Town of Stony Plain.

4.0 Statement:

The Town of Stony Plain seeks to maintain a diversified and stable revenue system as a protection from short term fluctuations. One-time revenues will be used to fund one-time expenditures or capital expenditures. Publicly beneficial services shall be funded by revenue sources generated from a broad

base such as property taxes or grants. Goods or services provided for an individuals' or organization's sole purpose shall be directly funded by the user fees related to the service.

In budgeting and long-term planning, revenues shall be estimated conservatively, using an objective and analytical approach. Projections will be based on actual historic trends supplemented with additional knowledge of future expectations.

5.0 Standards:

User Fees

- 5.1 The Town supports a user fee philosophy such that wherever possible the user of a particular program or service shall pay the cost of delivering or providing that program or service.
- 5.2 The Chief Administrative Officer shall calculate Fees considering both Direct and Indirect costs of service and/or remaining competitive with other municipalities and service providers.
- 5.3 Where appropriate, Fees for administrative type or comparable services within Town facilities shall be similarly priced to ensure consistency, fairness and equitability.
- 5.4 Council approves Fees and charges annually in the Fees and Charges Bylaw.

Water, Wastewater, Stormwater and Waste Management Fees

- 5.5 Utility rates are adjusted annually to recover current Direct and Indirect costs as defined through a utility rate model. This model also provides for a return on investment to produce a utility which is self-funding for future needs and replacement.
- 5.6 Waste management fees are levied based on the direct costs of providing waste management pick up to residents.
- 5.7 Utility rates cover all costs associated with utility operations, there shall be no cross subsidization between utilities and the tax base.

Fines and Penalties

- 5.8 Fines and penalties shall be reviewed annually to remain in competitive alignment within other municipalities and service providers.
- 5.9 Fines and penalties rates shall be defined within Town bylaws, term contracts, property leases, or development agreements, and reviewed as required to ensure ongoing effectiveness.

Off Site Levies

- 5.10 Offsite levies rates are supported by the Off-Site Levy Bylaw and shall be determined in compliance with provincial legislation and reviewed through offsite levy infrastructure studies and planning approved by Council through bylaw.

Property Taxation

Market Value

- 5.11 The Town shall maintain a position of revenue neutrality in relation to shifts in market value assessment fluctuations.
- 5.12 The total budget for municipal property taxes will not change based on market value or changes in property assessment due to market growth or depreciation.
- 5.13 Property tax rates will be adjusted annually to incorporate the impacts of realized growth.
- 5.14 Supplementary assessments, through the annual bylaw, shall be utilized to allow assessment for improvements added to land after the December 31 condition date for collection of property taxes for a portion of the current year.

Tax split

- 5.15 The Town employs a split tax rate. This means residential and non-residential classes will have variable tax rates.
- 5.16 The split tax rate may result in a different tax increase percentage for each property class based on the tax burden assigned to that class.
- 5.17 Administration will annually calculate the current tax rate split averages within the Comparative Municipalities. It shall be set at .05 below the Comparative Municipalities This average will be the tax rate split applied the next tax year.
- 5.18 The intent is to maintain a competitive tax rate to attract commercial investment while introducing measures that make residential development more appealing, ensuring long term growth of the tax base.

Property Tax Subclasses

- 5.19 The Property Assessment Sub-class Bylaw enables the creation of sub-classes within both Class 1 – Residential, and Class 2 - Non-Residential, for taxation purposes.

Minimal Tax Levy

- 5.20 Regardless of a parcels assessment value, a minimal tax levy will be applied at a value of \$30 as a means to capture Direct Costs incurred for assessment services and administrative expenses.

Class 3 Farmland

- 5.21 Farmland is assessed on the basis of regulated factors that reflect its potential productive value.
- 5.22 Annual tax rates will be set at a ratio of two times the general residential rate.

6.0 Policy Review: This Council policy shall be reviewed by Administration within four years of being implemented, with any changes being submitted to Council for approval