



REQUEST FOR DECISION

MEETING DATE: April 27, 2026

TITLE: C-1440-26 - 2026 Property Tax and Supplementary Property Tax Rate Bylaw - First Reading

DIVISION: Corporate Services

SUMMARY:

First reading of C-1440-26 - 2026 Property Tax and Supplementary Property Tax Rate Bylaw is presented for consideration by Council. This bylaw sets the 2026 property tax rates.

PROPOSED MOTION:

THAT first reading is given to C-1440-26 - 2026 Property Tax and Supplementary Property Tax Rate Bylaw.

BACKGROUND / ANALYSIS:

Municipal Tax Rate

The *Municipal Government Act* authorizes a municipality to pass an annual property tax bylaw that imposes a property tax sufficient to raise the necessary revenue to pay requisitions, expenditures, and transfers as set out in the approved budget.

The property tax bylaw sets out tax rates that must be imposed to raise the required property tax revenue.

The bylaw establishes the total of assessed property values by class and sets the tax rates required to generate the approved property tax revenue in accordance with property tax policies. The required is \$64,512,946, as set out in the 2026-2028 Budget and Fiscal Plan approved by Council on December 8, 2025. This amount has been adjusted by \$13,755 in net increased property tax revenue resulting from higher-than-budgeted assessment growth,

following a reduction in the property tax rate increase from 4.68 per cent to 3.99 per cent, as approved in the 2026 Spring Budget Adjustment approved by Council on April 13, 2026.

The assessment complaint deadline was April 7, 2026. Any complaints received may result in minor adjustments, which could lead to small changes to the tax rate at third reading.

Education Requisition

The 2026 Education requisition on behalf of the Government of Alberta is \$24,401,105.50, representing an increase of \$2,676,441.90, or 12.32 per cent, over 2025. This amount differs slightly from the bylaw due to an under-levy from 2025.

Meridian Housing Foundation Requisition

The City of Spruce Grove, Town of Stony Plain, and Parkland County are required to collect taxes for seniors' lodges set by Meridian Housing Foundation. These funds are remitted to seniors' lodges. All taxpayers are required to pay these amounts whether or not they use the service.

The City of Spruce Grove 2026 tax levy for the Meridian Housing Foundation's operating requisition is \$682,826.20, representing an increase of \$116,431.89, or 20.56 per cent, over 2025 requisition. This amount differs slightly from the operating requisition amount in the bylaw due to an over-levy from 2025. The increase in the Meridian Housing Foundation operating requisition was approved by the Meridian Housing Foundation Board and reflects rising inflationary costs, increased consulting fees, building condition analysis reporting, and the need for additional staff to meet growing workload demands. This increase also supports the addition of a new senior's facility, Horizon View Lodge, which is expected to be operational by fall 2026.

The City of Spruce Grove 2026 tax levy for the Meridian Housing Foundation capital requisition is \$208,705.82, an increase of \$1,542.82, or 0.74 per cent over 2025 requisition. This amount differs slightly from the bylaw due to an over-levy from 2025.

Annexed Lands

Lands annexed in 2021 from Parkland County must be taxed at either the County municipal tax rate or the City of Spruce Grove tax rate, whichever is lower, until 2051, or until a portion becomes a newly registered parcel of land, in accordance with the 2020 Lieutenant Governor in Council's Annexation Order. At the time this report was prepared, Parkland County rates were unavailable. The 2026 rates are anticipated to be approved in time to be included in the report to Council for third reading of the tax rate bylaw, scheduled for May 11, 2026. First reading has been prepared using this year's annexed assessment values and last year's annexed rates.

Lands annexed in 2025 from Town of Stony Plain must be taxed using the tax rate established by the Town of Stony Plain or by the City of Spruce Grove, whichever is lower until 2051 or until a portion becomes a new registered parcel of land as set out in the 2025 Lieutenant Governor

in Council's Annexation Order. At the time this report was created, Town of Stony Plain rates were unavailable. First reading has been prepared using this year's annexed assessment values with the City's last year's rates.

Supplementary Tax

For properties that were partially complete or under construction as of December 31, 2025, taxpayers will receive a supplementary tax assessment based on the difference between their annual assessment and the assessed value of the property at completion. Supplementary assessments are based on market value as of July 1, 2025, and are issued in May for new construction completed by April 30, 2026, and in October for new construction completed by September 30, 2026. The estimated supplementary taxation of \$201,000 will be levied at the rates as set out in the bylaw.

Property Tax Policy

The City does not tax overall market value appreciation or depreciation; however, individual property value changes relative to the overall average market value change will vary and may affect each property's tax levy differently. On average, for the 12 months ending June 30, 2025, market values increased by 3.07 per cent for non-residential properties, 2.80 per cent for multi-family properties, and 8.49 per cent for residential properties.

The 2026 bylaw maintains a multi-family dwelling rate split of 1.4 times the residential rate and updates the non-residential / residential rate split of 1.692 in accordance with CP-1042-22 - Property Tax Distribution Policy. By comparison, split rates used in the 2025 property tax rate bylaw were 1.4 and 1.634, respectively.

Taxable Assessment Growth

Taxable assessment from new development totaled \$395,081,940, comprised of \$350,399,000 in residential assessment, \$31,876,000 in multi-family assessment, and \$12,806,940 in non-residential assessment.

OPTIONS / ALTERNATIVES:

n/a

CONSULTATION / ENGAGEMENT:

Assessment property notices were mailed on January 29, 2026. During the assessment complaint period, residents had the opportunity to connect with Assessors and Finance staff available by phone or virtual meeting to discuss current assessments, comparable assessments, and related concerns.

IMPLEMENTATION / COMMUNICATION:

The City advertises the tax notice mailing through the City website, social media, and reader boards. Tax notices must be mailed no later than May 23, and payment is due on June 30, excluding those on a pre-authorized payment plan.

All tax notices are accompanied by a tax information sheet that provides information on annual municipal taxes, Education and Meridian Housing Foundation requisitions, and how tax dollars are allocated.

Below are the strategies and tactics that the City will use for advertising purposes:

COMMUNICATIONS STRATEGIES

- Website tools
- Social media campaign
- Electronic communications
- Print materials
- Internal communications

COMMUNICATIONS TACTIC	TIMING
Website tools	May - June
Social media campaign	May - June
Electronic communications	May - June
Print materials (incl. property tax notice insert)	May - June
Signage	May - June
Internal communications	May

IMPACTS:

n/a

FINANCIAL IMPLICATIONS:

The 2026 municipal tax requirement is \$64,512,946, comprised of \$64,248,011 in estimated annual tax revenue, \$63,935 in estimated revenue from annexed lands, and \$201,000 in estimated supplementary tax revenue.