

POLICY NO:	FI 007
POLICY TITLE:	TAX STABILIZATION RESERVE
DEPARTMENT:	FINANCE
APPROVAL DATE:	33-11-01 (November 2001)
REVISION DATE:	
REVIEW DATE:	

Purpose:

1. Stabilize the Municipal Mill rate
2. Prevent large fluctuations from year to year in the municipal mill rate
3. Cushion assessment categories from extra ordinary events that may cause excessive increases in taxation (e.g. significant loss of assessment in a particular category)
4. Minimize the effect on ratepayers to tax rate changes
5. Provide a managed approach to changes in tax rates

Guidelines:

1. The reserve will be capped at one Mill of the current year's assessment at tax time.
2. Funding for the reserve will come from the increase in assessment from the previous year at tax calculation time.

Criteria:

To be utilized when deemed necessary by council.

Procedure:

1. Chosen % of the increase in each category of assessment (Residential, Farm & Commercial) will be multiplied by the previous year's tax rate to determine the amount required to be added to the reserve
2. Percentage increase is to be reviewed each April when the new assessment has arrived.