

Property Taxes Reimagined: Fair Funding for Strong Communities

This is part of an informational series on the realities facing municipal government councils and the need to reimagine property taxes in Alberta.



Stacking up the Bills: The Snowballing Burden on Property Taxes

Why are Alberta's property taxes increasing?

First, we need to remember that your property tax bill has two main taxes, and each is controlled by a different level of government.



One tax is set by your municipal (local) government to fund services provided by your municipal government.



The second tax is set by the Government of Alberta to help fund kindergarten to grade 12 schools.

This can be confusing since both taxes are sent on one bill from your municipal government. The Alberta government requires your municipality to collect the provincial property tax and then send the money to them.

If you live in Alberta, you may have noticed that your property taxes are rising but the reasons might surprise you. The reality is there are many reasons:

1. **The provincial property tax is going up** to help pay for schools.
2. **The Alberta government is giving less money** to municipal governments, so councils have to raise municipal property taxes to make up for it.
3. **New rules and costs from the Alberta government** mean municipal governments have to hire more staff and do more work.
4. **People are asking councils to spend money on services** that are historically handled by the Alberta government.
5. **Prices are rising** (inflation) so municipal governments have to spend more money to buy the things they need.

Alberta's municipalities are also experiencing:

- More frequent and severe flooding, drought, and wildfire
- Infrastructure damage and rising insurance costs
- Growing pressure on emergency services and local budgets

On top of that, municipal governments are required to balance their budget. That means they can't spend more money than they bring in. Because of this, councils have to make some tough decisions. They might choose to raise municipal property taxes or cut back on services people use in the community, either next year or for many years to come.

1

Property taxes are going up because the Alberta government is increasing its property tax

One of the taxes on your property tax bill is levied by the Alberta government to help pay for schools. **In 2025, the Government of Alberta increased its tax on homes and property by 14 per cent.** Another 10 per cent increase in provincial property tax is planned for 2026. Between 2025 and 2027, the Government of Alberta plans to increase provincial property taxes by almost \$1 billion, bringing the total provincial tax on property owners to \$3.6 billion.¹ Your municipal government has no control over this tax, but it has to collect it for the province.

Provincial Property Tax Revenue (Alberta, billions)

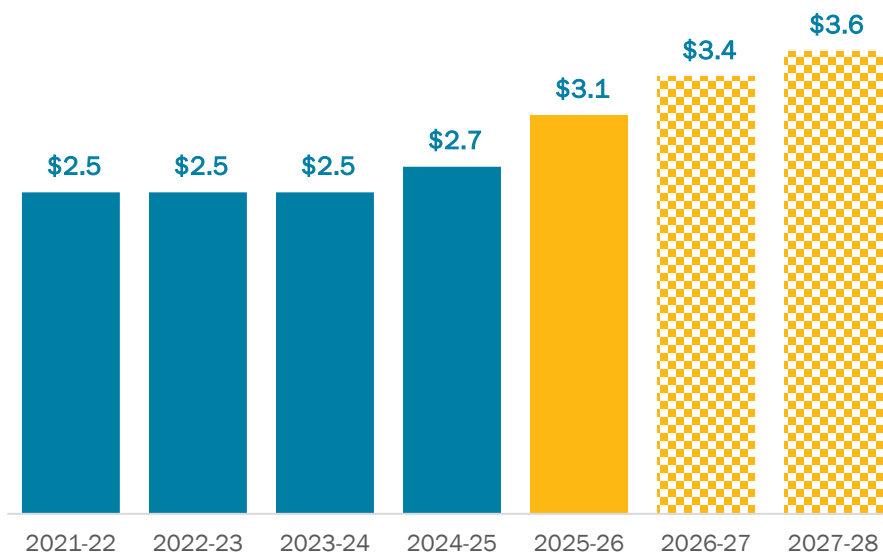


Figure 1: 2021-2024 are actual amounts sourced from Alberta's annual Government Estimates reports and 2025-2027 are estimated amounts in the Government of Alberta's 2025 Fiscal Plan.

¹ Government of Alberta's 2025-28 Fiscal Plan, Schedule 4, page 145.

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Property taxes
are the main way
municipalities
get money.

So, if a council
needs more money,
they often have to
raise municipal
property taxes.

2

Less provincial funding is making property taxes go up

Over the last 15 years, the Alberta government has cut the money it gives to municipal governments by half. When we adjust for inflation, in 2009, municipalities got about \$635 per person from the Alberta government. By 2023, that amount went down to \$327 per person.

When a municipality gets less money from the provincial or federal government, it has two choices:

1. Cut back on services like fixing roads or running programs, or
2. Find money somewhere else, usually by raising municipal property taxes.

Because of the cut in funding, municipal governments have to increase municipal property taxes to make up the difference, or wait longer to fix roads and sidewalks, or cut back on programs. Many councils choose a combination of all options.

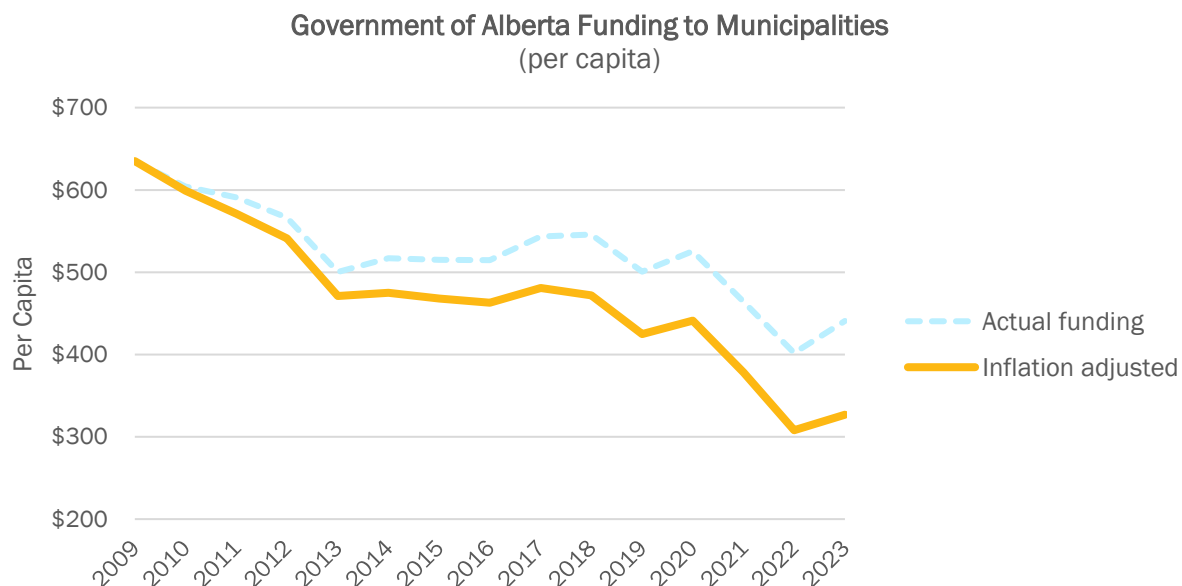


Figure 2: Includes capital and operating funding. Calculated using Alberta Municipal Affairs, Financial Information Returns, Schedules D and E(2). Inflation adjusted figures are based on 2009 constant dollars using Alberta's Consumer Price Index, Statistics Canada Table 18-10-0005-01 Consumer Price Index, annual average, not seasonally adjusted. Population sourced from the Government of Alberta Regional Dashboard.

3

New laws and decisions are making property taxes go up

Decisions by the provincial and federal governments have increased costs for municipal governments. Here are some examples:

- **RCMP Costs:** RCMP wages went up by 24 per cent between 2017 and 2022.² Cities and towns over 5,000 population that use RCMP had to start paying the higher wages plus cover backpay going back to 2017. Also, in 2020, Alberta government started charging municipal districts and counties, plus towns and villages under 5,000 in population, for part of RCMP policing costs. As of 2025, that cost is \$60 million a year and is expected to go up.
- **Traffic Fines:** Before 2020, municipal governments received 73 per cent of traffic fine revenue. Now they get only 60 per cent, which means they lose about \$40 million a year.³
- **Photo Radar:** In 2025, the province made new rules that municipal governments can only use photo radar in certain playgrounds, school zones, and construction sites. Before, money from photo radar tickets on dangerous roads helped pay for police and traffic safety improvements. Now, municipal governments will have to use property taxes to cover those costs instead.
- **Election Costs:** In 2024, a new provincial law⁴ made local elections more expensive. Alberta's municipal governments can no longer use machines to count paper voting ballots. They now need to hire more staff to count votes at elections. For example, the City of Edmonton projected it would need to hire 1,230 more election workers for the 2025 election.⁵
- **Non-Profit Support:** When non-profit groups lose provincial funding; they often ask their municipal government for money. If council wants to keep those services in their community, they may use municipal property taxes to support those non-profit groups.

In all these cases, municipalities had no choice but to raise municipal property taxes to cover the new costs. Most councils have tried to keep municipal property taxes as low as possible, but that has come at the cost of cutting other programs or waiting to fix roads, sidewalks, and public amenities.



RCMP Wages

▲24%



Traffic Fines

▼\$40M
annually



Photo Radar

is no longer
supporting
municipal costs



Elections

are becoming
more expensive



Non-Profits

are asking for
municipal
support

² In 2021, the Government of Canada finalized a collective bargaining agreement with the RCMP union (National Police Federation), which represents RCMP regular members and reservists. The agreement included five years of retroactive salary increases, meaning the salary of a First-Class Constable increased by 24% over a six-year period.

³ The Government of Alberta's 2019 Fiscal Plan estimated the loss of revenue at \$37 million for 2020.

⁴ Bill 20, Municipal Affairs Statutes Act, 2024

⁵ [Edmonton's 2025 civic election will cost an extra \\$4.8M under Bill 20 changes, city says | CBC News](#)

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Your property taxes are increasing to supplement provincial services

It's challenging and expensive for the Government of Alberta to meet the needs of every community across Alberta. Sometimes, people in a community want better services than what the province provides.

Because councils are closer to the people in their own community than higher levels of government, council will hear these concerns. This can push council to help maintain or improve life in their community, by spending local money, raised through municipal property taxes, on services that are usually the province's job.

The Government of Alberta is in charge of many services that affect the quality of your life, like:

- Ambulances
- Doctors and health care
- Social services
- Affordable housing and homelessness
- Childcare



Ambulances

If people are worried about how long it takes for an ambulance to arrive, your local council may fund the local fire department to respond to medical calls.



Doctors

If a community does not have enough doctors, the local council may try to attract more by offering special deals or improve local services to make the area more attractive.



Social Services

If people don't have enough supports or they must travel to a city to get them, the local council might step in and help by funding things like food, health, or homelessness programs.



Affordable Housing

If people are struggling with money or have to move away to find seniors housing or affordable housing, your local council might decide to help by building low-cost housing.

Many provincial services are run by local non-profit organizations. If the Alberta government cuts its funding to one of your local organizations, they will often ask their council for money who will feel the pressure to step in to keep that service in their community.

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Inflation is making property taxes go up

Just like you, your municipal government has to pay for things and prices go up over time.

For example, your municipal government needs to:

- Buy equipment, trucks, pipes, concrete, and road materials.
- Pay for energy to heat and cool buildings, and light streets.
- Pay local contractors, workers, and employees.

Some of these costs have skyrocketed for municipalities in recent years. For example:

- A fire truck now costs over \$1 million more than it did in 2020, that's a 73 per cent increase.
- A garbage truck costs more than double what it did in 2019.
- Building a recreation centre or community building has become so expensive that many municipal governments have had to delay or change their plans for their community.

Should the Alberta government keep shifting the tax bill onto property owners and renters?

There is also a shift happening in how Albertans pay taxes. Alberta has the lowest provincial taxes in Canada¹. But to help make that happen, municipal governments are paying more of the costs and that means you are paying more through property taxes.

When the Alberta government:

- raises its property tax,
- gives less money to municipal governments,
- and passes more costs to municipal governments...

...it changes how Albertans are taxed. Instead of paying tax based on how much money you earn, you are paying more tax based on how much your home is worth.

Is this a good thing? It depends on who you ask. Property taxes are like a wealth tax. The more your home is worth, the more property tax you pay. But this can be hard for people with low or fixed income, who may not have extra money to cover the extra cost when property taxes go up.

What if councils stop raising municipal property taxes?

If your council decided that municipal property taxes are too high, they might have to cut local services.

Would you be okay with:

- Waiting for an ambulance instead of getting medical help from your local fire department?
- Your garbage getting picked up less often?
- Shorter hours at your local rink or pool?
- Longer wait times to fix roads or sidewalks?
- Paved roads changed to gravel roads?
- Your water getting randomly shut off because pipes aren't fixed?

If not, your council has no other choice than to increase municipal property taxes.

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Should the current approach to property taxes be reimagined?

Your property taxes have likely been going up for years and they will likely keep going up. Why? Because of all the reasons we've talked about, like:

- rising provincial property tax
- less money from the Alberta government
- new responsibilities for municipal governments, and
- inflation driving up costs

If you rent your home, you might not see the property tax bill, but you are still paying property tax through your monthly rent payment. If the property tax goes up, your landlord may feel the need to raise your rent.



As you think about your money and the future of your community, Albertans may want to ask:

- Should the Alberta government keep shifting more taxes onto property owners and renters?
- Should councils still be the ones collecting the province's property tax?
- If things stay the same, what will your community look like in 10 to 20 years? Will your life be better or worse?

If you have ideas, contact your [local MLA](#) or your local council and share your thoughts on how we can reimagine property taxes to strengthen the future of Alberta's communities.