Title:	Minimum Amount Payable Guidelines
Policy No:	2025-01
Approval:	Village Council
Effective Date:	
Supersedes Policy No:	None
Amendments:	

Policy Statement: The Village of Spring Lake recognizes the importance of equitable taxation to ensure the fair distribution of municipal service costs among all property owners. A minimum amount payable serves to recover a base level of municipal services provided to all properties, regardless of assessed value. This policy provides guidance to Council in the annual review and setting of the minimum amount payable amount applied to the municipal portion of property taxes only.

Purpose: The purpose of this policy is to establish a clear and consistent framework for determining and reviewing the Village's minimum amount payable in property taxes. This ensures that all property owners contribute a fair share toward the essential municipal services received, such as fire protection, bylaw enforcement, and policing, regardless of property assessment.

Objectives:

- To provide transparency in the Village's approach to minimum amount payable taxation.
- To support a fair and equitable distribution of municipal service costs.
- To align minimum tax decisions with legislative authority under the Municipal Government Act (MGA), Section 357.
- To inform residents that the minimum amount payable applies solely to the municipal portion of the property tax and does not affect provincial education requisitions or other external levies.

Principle Guidelines

1. **Legislative Authority**
   Under Section 357 of the *Municipal Government Act* (MGA), Council has the authority to establish a minimum amount payable as property tax. This policy provides guidance for the exercise of that authority in a manner that promotes fiscal responsibility and service equity.

2. **Scope of Minimum Amount Payable**
   - The minimum amount payable applies only to the municipal portion of a property owner's annual tax bill.
   - This policy does not impact the provincial education requisition, Seniors Foundation requisitions, or other levies collected on behalf of third parties.

3. **Service Equity and Cost Recovery**
   - All properties within the Village receive access to core municipal services, including policing, fire protection, and bylaw enforcement, regardless of the assessed value of the property.
   - The minimum amount payable ensures that every property owner contributes a base level of funding to cover these essential services.

4. **Review and Adjustment**
   - Council will review the minimum amount payable annually during the budget deliberation process.

- Considerations may include service cost increases, changes in assessment base, inflation, and community needs.

5. Transparency and Communication
   - Changes to the minimum amount payable will be communicated clearly to residents, including details in the annual tax notice and during public budget discussions.

6. Application Example

Minimum Amount Payable = $1,250

Property Type	Assessed Value	Regular Municipal Tax (Based on Mill Rate)	Minimum Amount Payable Applied	Final Municipal Tax
Vacant Residential Lot	$50,000	$300	$950	$1,250
Developed Home	$300,000	$2,400	N/A	$2,400

In this example, a vacant lot generates a lower tax based on the mill rate. However, under the minimum amount payable policy, the owner is required to pay $1,250 to reflect the base cost of municipal services received.

Responsibility

The Chief Administrative Officer (CAO) is responsible for administering this policy, providing annual recommendations to Council, and ensuring the public is informed regarding any updates or changes to the minimum amount payable amount.

Policy Review Date: Annually during budget deliberations or as directed by Council.