Section 4.—Municipal Finance*

Subsection 1.—Municipal Assessed Valuations

The revenue resources of municipalities are limited generally to direct taxation, based on assessed valuations of real and other types of property. In the Provinces of Prince Edward Island, Nova Scotia, New Brunswick, Manitoba and Alberta municipalities assess and tax personal property. In Alberta municipal districts the valuations of personal property assessed have risen sharply with the growth of the oil industry. In Manitoba the personal property tax is used generally by all classes of municipalities except cities. Aside from property, the most important type of valuation for taxation purposes is business assessment, although not all provinces assess for business purposes separately and distinctly from real property valuations. A variation of methods, schedules and rates exists not only between provinces but also between municipalities within the same province. Some municipalities use the rental basis, others the value of floor space occupied and still others the capital value of the premises occupied. Three of the provinces have other miscellaneous types of assessment, the general nature of which will be noted from the footnotes to Table 44. Income assessment, which formerly was employed in Nova Scotia and New Brunswick was done away with in 1943 as a result of the operation of the Dominion-Provincial Tax Agreements.

It should be noted that the figures in Table 44 are not entirely comparable, on an interprovincial basis, from the standpoint of relative values of properties taxable for municipal purposes. Each province operates under its own assessment laws, which are not all similar, either in application or in effect. For instance, in British Columbia cities and municipal districts improvements cannot be taxed on a value in excess of 75 p.c. of taxable values or in most of the villages in excess of 50 p.c. of taxable values; the values actually taxed in 1948 ranged from nil to 75 p.c. In the majority of cases, improvements were assessed for tax purposes at 50 p.c. of taxable values, but for all municipalities the total improvements actually taxed represented approximately 48 p.c. of total taxable values. It should also be noted that Table 45 does not include assessed valuations in Improvement Districts for either Saskatchewan or Alberta. In Saskatchewan these amounted to $27,327,995, $26,874,190, $26,892,080 and $28,777,035 and in Alberta to $63,171,742, $62,753,779, $68,645,962 and $65,713,818 in 1945, 1946, 1947 and 1948, respectively. In addition there are other intra-provincial inconsistencies between municipalities which, in turn, further affect interprovincial comparisons. These may be said to be due to the lack of integrated municipal assessment systems and uniform standards for establishing values on a province-wide basis, under the direction and control of a central authority. Some provinces, however, have made considerable progress along these lines in recent years.

* Revised in the Public Finance and Transportation Division, Dominion Bureau of Statistics.