

Municipality of Jasper  
**Tourism Community Status**  
Information Sheet, February 2017



The Municipality of Jasper is working with the towns of Banff and Canmore to advocate for provincial recognition of tourism-based communities in Alberta. Property taxes are the main source of funding for Alberta municipalities, which means Jasper's resident population of approximately 4,500 is responsible for funding services and infrastructure that accommodate up to 25,000 visitors per day during peak tourism season, placing a fiscally unsustainable property tax burden on Jasper residents and business owners.

Other provinces, states and countries have systems in place to share tourism revenue between the various levels of government. While the provincial and federal governments are encouraging tourism growth and increased visitation to the Alberta Rockies, no measures are in place to help support the infrastructure and services used by visitors in Alberta municipalities.

The three communities are asking for recognition and tools that will allow us to remain competitive as international tourism destinations while ensuring community health and fiscal sustainability.

Under the current legislation, the Municipality's only mechanism to capture some of the tourism revenue generated by visitors in Jasper is to charge different rates for commercial and residential users. For example, the commercial property tax rate is set at 5.1 to 1, which means businesses pay five times more taxes than residential property owners, based on their property's assessed value. Utility rates (water, sewer, garbage and recycling) are also structured differently for commercial and residential users. Both of these measures present significant challenges as the nature of each business – and therefore their ability to pay – varies greatly across the community.

### Impact of Visitor Population on Infrastructure and Services

When comparing Jasper to similar-sized communities in Alberta, service demands on water, sewer, roads, parking and affordable housing were identified as areas where tourism creates significant pressures on municipal services. While the hotel industry contributes largely to funding our utilities systems (water, sewer, garbage and recycling), which are billed on a consumption basis, the current municipal funding model still fails to capture our service population, i.e. our visitors.

For example, our water and wastewater treatment plants are sized to service 25,000 users all year around, while peak usage only lasts for a few months. The cost of maintaining and replacing these oversized facilities remains a burden to the local taxpayer throughout the year, even when usage is low during slower tourism months. Fire and rescue services for increased highway traffic, bylaw enforcement services and social services are funded by property taxes but sized to support visitors' needs. The same reasoning goes for other municipal service areas, whether they are required in a larger amount or at a higher standard than in non-tourism communities, including parking, street furniture and wayfinding for example.

## Taxation Revenue for the Provincial and Federal Governments

The towns of Banff, Jasper and Canmore, as the primary accommodation and service centres for the Canadian Rockies, collectively host an estimated 4.3 million visitors annually (and growing).



A recent study shows that the Canadian Rockies is the destination of choice for long-haul visitors travelling on holiday (70.6% travelling for pleasure).

***Banff, Canmore and Jasper host 71% of the visitors from overseas and 37% of the visitors from the United States that come to the province of Alberta.***

These visitors stay longer, spend more and bring significant 'new' money, or tourism export revenue, to the province of Alberta. In 2012, Banff, Canmore and Jasper accounted for \$691 million or 24.8% of Alberta's total tourism export revenue (new money into Alberta). Visitors to the Canadian Rockies generated \$1.09 billion in direct tourism expenditures in 2012. This figure grew to \$1.66 billion in 2014.

Visitor spending in Jasper results in an estimated annual Gross Provincial Income impact (similar to GDP measure for Alberta) of \$375 million and 4,804 full-time equivalent jobs in Alberta. Tax revenues to the three levels of government are over \$154.5 million (approximately \$423,420 per day and growing). The federal government alone claims the largest share with \$266,089 per day and the provincial government collects \$140,623 per day from Jasper, while the municipality collects \$11,840 per day.

## Conclusion

Tourism benefits the provincial economy, yet much the cost of providing services to visitors is born by municipal taxpayers. To meet increasing costs to maintain and replace current municipal infrastructure, and to meet the demands on services by the growing visitor population, property taxes must continue to increase if this is the only source of municipal funding for infrastructure and services.

What the Municipality of Jasper is advocating for is provincial recognition of tourism-based communities, including the limitations of the property tax regime for communities servicing a large amount of visitors. The current system is unsustainable and unfair to local taxpayers.

Many other jurisdictions in North America and the world have developed tourism community funding systems, while Alberta has not. Resort communities in Colorado, for example, use a local tax structure to generate revenue to support local infrastructure, tourism infrastructure and other civic amenities that help the competitiveness of their resort communities. British Columbia's Resort Municipality Initiative is another example of a revenue-generating tool that helps its resort communities develop tourism infrastructure.

Our request from the local business community is support in principle, and the willingness to work together to develop a better system for Alberta.