

REPORT

Finance

To: Mayor Cote and Members of Council **Date:** April 25, 2022

From: Harji Varn
CFO/Director of Finance **File:**

Item #: 2022-289

Subject: 2022 Tax Rates Bylaw No. 8326, 2022

RECOMMENDATION

That Council give three readings to the Tax Rates Bylaw No. 8326, 2022 as presented in Attachment #1 of this report.

PURPOSE

This reports seeks Council's approval of the City's 2022 Tax Rates Bylaw as presented in Attachment 1.

BACKGROUND

On January 10, 2022, City Council adopted the 2022 - 2026 Financial Plan (the Financial Plan) in accordance with Section 165 of the Community Charter. The Financial Plan incorporates a tax increase of 4.4%. In accordance with Section 197 of the Community Charter the City must establish tax rates for the municipal revenue proposed in the Financial Plan to be raised from property taxes and the amounts to be collected on behalf of the Metro Vancouver Regional District (also referred to as Greater Vancouver Regional District [GVRD]). Attachment 1 provides a listing of the tax rates for municipal rates and GVRD rates.

In addition, at the request of Business Associations, the City has established Business Improvement Areas (BIA) by bylaw for fixed terms. Establishing the BIAs allows the City, on behalf of the Business Associations, to collect an annual levy from Class 5 & Class 6 properties within the specified improvement area. The annual funding levy enables the Business Association to undertake strategic initiatives that encourage and promote businesses within the BIA. Per the BIAs, the following levies are to be levied for 2022:

Uptown BIA \$150,500

Downtown BIA:

Primary	\$161,912
Secondary	<u>\$133,858</u>
Total	<u>\$295,770</u>

EXISTING POLICY/PRACTICE

Under the Community Charter, the City must adopt a Financial Plan and a Taxation Bylaw annually, before May 15. The Financial Plan Bylaw must be adopted before the Annual Taxation Bylaw.

The City’s property taxation policy goal is to set tax rates that are sufficient, after maximizing non-tax revenues, to provide for service delivery; city assets; and tax stability. This is accomplished by maintaining the historical relationship between the property classes and applying the same annual tax rate increase across all classes.

ANALYSIS

Property Tax Rates Bylaw

The City’s Financial Plan, strives to maintain current service levels and fund investment in ongoing capital maintenance programs, as well as, major capital projects. In response to the COVID-19 pandemic, the Finance team worked collaboratively with City Council and the senior management team to minimize the tax increase in 2022 to ease the financial burden for the community despite the added pressure from rising insurance premiums and acceleration on advancing major infrastructure projects city-wide. The property tax rates bylaw included in Attachment 1 implements the tax rates reflected in the City’s Financial Plan.

Home Owner Grant

The Home Owner Grant provides a maximum reduction in residential property taxes of \$570. An Additional grant of \$275 (for a total of \$845) may be available if the homeowner is 65 years of age or over, permanently disabled or eligible to receive certain war-veteran allowances.

The Province of BC maintained the assessed value threshold for the Home Owner Grant at \$1,975,000 in 2022. The effect of the assessed value threshold is that the maximum Home Owner Grant is reduced by \$5 for each \$1,000 of assessed value over \$1,975,000. As a result, the basic grant is reduced to zero for residential properties valued at \$2,089,000 and the additional grant is eliminated on residential properties assessed at \$2,144,000 or more.

Property Tax Deferment Programs

The Province of BC administers property tax deferment programs to assist qualified BC homeowners with payment of their property taxes. These deferment programs allow homeowners to defer payment of property taxes, along with interest at very attractive rates, until the home is sold, transferred to a new owner or becomes part of the probate of an estate. The deferment programs allow property owners to qualify under a number of different criteria:

- a person 55 years or older (only one owner needs to be 55 or older)
- a surviving spouse
- a family with one or more children under the age of 18 years

The Province of BC launched an e-deferment program in 2020 to streamline the process. Applications are to be submitted online once an applicant has created an online profile with eTaxBC. Property owners must contact the Province for assistance with deferment applications.

FINANCIAL IMPACT

The 2022 tax rates will generate approximately \$96M in property taxes to be utilized to fund City services.

INTERDEPARTMENTAL LIAISON/INPUT

The City’s taxing obligations in relation to the Metro Vancouver Regional District has been confirmed in writing.

CONCLUSION

Under the provisions of the Community Charter, the City is required to adopt a tax rates bylaw after the adoption of the Financial Plan and prior to May 15, 2022.

It is recommended, therefore, that TAX RATES BYLAW NO. 8326, 2022 be given three readings and adoption.

OPTIONS

There are two options available to Council:

- 1) **THAT** Council give three readings to the Tax Rates Bylaw No. 8326, 2022 as presented in Attachment #1 of this report.
- 2) That Council provide other direction

Staff recommend option 1.

ATTACHMENTS

Attachment #1 – Tax Rates Bylaw No. 8326, 2022

This report was prepared by: Parissa K. Bhullar, CPA, CGA
Manager, Revenue and Collections

This report was approved by:

Harji Varn
CFO/Director of Finance

Lisa Spitale
Chief Administrative Officer



Attachment #1
Tax Rates Bylaw No. 8326, 2022