

Revenue and Tax Policy Benchmarks and 2020 Tax Rates



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Purpose

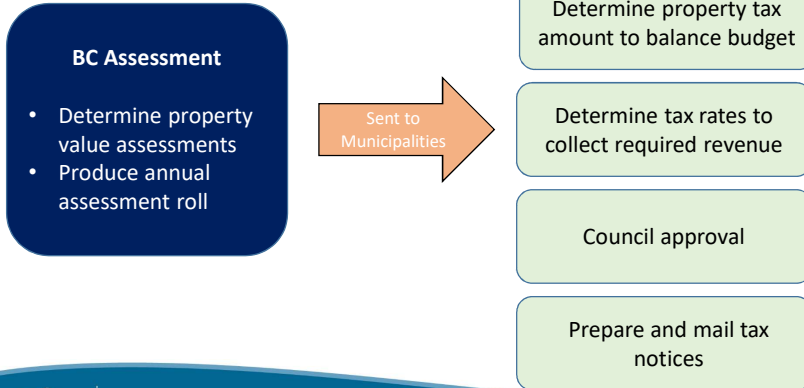
- To provide updated benchmark measures related to the City's Revenue and Tax Policy
- To seek direction on 2020 tax rates



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Budget and Property Taxes



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Other Taxing Jurisdictions

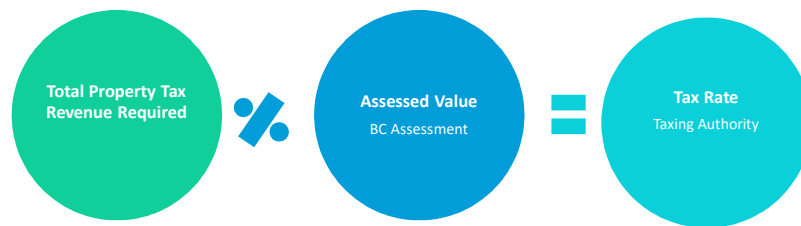
- City collects tax levies for other external entities
- Represent approximately 40% of total tax bill
 - CRD/CRHD
 - BC Assessment
 - School Tax
 - BC Transit
 - MFA



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Property Tax Rate Calculation



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Property Tax Bill Calculation



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Impact on Taxpayers



*The diagram above assumes that there are no changes in the distribution of property tax funding between property classes.



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Revenue and Tax Policy

Distribution of property taxes among property classes:

1. Maintain current share of distribution of property taxes – allocate tax increases equally between the classes
2. Tax rates for light and major industry same as business
3. Farm tax rates set to achieve comparable to residential



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Tax Rate Option 1: Equalize tax increase, industrial same as business (current tax policy)

	Tax Ratio	Tax Share Excluding NMC	Tax Rate	Tax Change	2019 Tax Rates
Residential	1.0000	51.04%	3.1152	-0.04%	3.1564
Utility	11.0720	0.49%	34.4916	-0.04%	31.6048
Major Industrial	3.3250	0.12%	10.3581	9.72%	10.9821
Light Industrial	3.3250	0.78%	10.3581	3.72%	10.9821
Business	3.3250	47.39%	10.3581	-0.04%	10.9821
Rec/Non Profit	2.1930	0.18%	6.8316	-0.04%	7.1031

Average residential property (\$815,000 assessed value) *decrease* of \$1
 Typical business property (\$683,000 assessed value) *decrease* of \$4



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Tax Rate Option 2: Equalize tax increase, for all classes (tax policy prior to 2007)

	Tax Ratio	Tax Share Excluding NMC	Tax Rate	Tax Change	2019 Tax Rates
Residential	1.0000	51.06%	3.1165	0.00%	3.1564
Utility	11.0720	0.49%	34.5056	0.00%	31.6048
Major Industrial	3.0292	0.11%	9.4404	0.00%	10.9821
Light Industrial	3.2046	0.75%	9.9869	0.00%	10.9821
Business	3.3249	47.41%	10.3619	0.00%	10.9821
Rec/Non Profit	2.1931	0.18%	6.8347	0.00%	7.1031

Average residential property (\$815,000 assessed value) no change
 Typical business property (\$683,000 assessed value) no change



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Tax Rate Option 3: Maintain business tax share at 48%, excluding NMC (tax policy 2012-2014 was to reduce to 48%)

	Tax Ratio	Tax Share Excluding NMC	Tax Rate	Tax Change	2019 Tax Rates
Residential	1.0000	50.43%	3.0781	-1.23%	3.1564
Utility	11.0720	0.48%	34.0807	-1.23%	31.6048
Major Industrial	3.4080	0.12%	10.4902	11.12%	10.9821
Light Industrial	3.4080	0.79%	10.4902	5.04%	10.9821
Business	3.4080	48.00%	10.4902	1.23%	10.9821
Rec/Non Profit	2.1930	0.18%	6.7503	-1.23%	7.1031

Average residential property (\$815,000 assessed value) *decrease* of \$31
 Typical business property (\$683,000 assessed value) *increase* of \$87



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Tax Rate Option 4: Hold ratios same as 2019 (tax policy for business ratio 2007-2011)

	Tax Ratio	Tax Share Excluding NMC	Tax Rate	Tax Change	2019 Tax Rates
Residential	1.0000	49.94%	3.0481	-2.19%	3.1564
Utility	10.0130	0.43%	30.5208	-11.55%	31.6048
Major Industrial	3.4797	0.12%	10.6056	12.34%	10.9821
Light Industrial	3.4794	0.80%	10.6056	6.20%	10.9821
Business	3.4794	48.53%	10.6056	2.35%	10.9821
Rec/Non Profit	2.2504	0.18%	6.8595	0.36%	7.1031

Average residential property (\$815,000 assessed value) *decrease* of \$56
 Typical business property (\$683,000 assessed value) *increase* of \$165



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