

Revenue and Tax Policy Benchmarks and 2021 Tax Rates



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Purpose

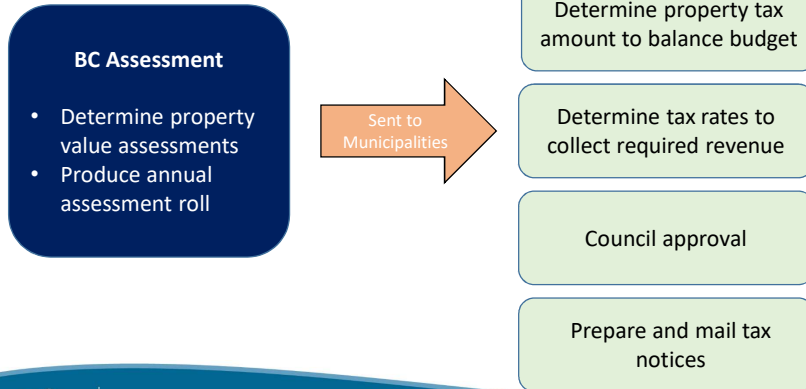
- To provide updated benchmark measures related to the City's Revenue and Tax Policy
- To seek direction on 2021 tax rates



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Budget and Property Taxes



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Other Taxing Jurisdictions

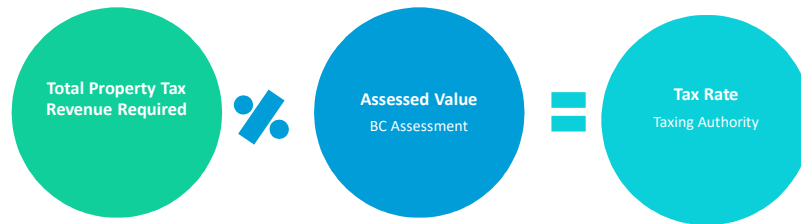
- City collects tax levies for other external entities
- Represent approximately 40% of total tax bill
 - CRD/CRHD
 - BC Assessment
 - School Tax
 - BC Transit
 - MFA



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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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Scenario 1



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

Property Tax Increase 1.82%

| | Tax Ratio | Tax Share Excluding NMC | Tax Rate | Tax Change | 2020 Tax Rates |
|------------------|-----------|----------------------------|----------|------------|----------------|
| Residential | 1.0000 | 50.43% | 3.0982 | 1.71% | 3.1152 |
| Utility | 11.6339 | 0.57% | 36.0440 | 1.71% | 34.4916 |
| Major Industrial | 3.5902 | 0.13% | 11.1231 | 11.28% | 10.3581 |
| Light Industrial | 3.5902 | 0.86% | 11.1231 | 14.63% | 10.3581 |
| Business | 3.5902 | 47.83% | 11.1231 | 1.71% | 10.3581 |
| Rec/Non Profit | 1.9813 | 0.18% | 6.1384 | 1.71% | 6.8316 |

Average residential property (\$834,000 assessed value) *increase* of \$43
 Typical business property (\$647,000 assessed value) *increase* of \$122



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

Property Tax Increase 1.82%

| | Tax Ratio | Tax Share | | Tax Rate | Tax Change | 2020 Tax Rates |
|------------------|-----------|---------------|--|----------|------------|----------------|
| | | Excluding NMC | | | | |
| Residential | 1.0000 | 50.48% | | 3.1015 | 1.82% | 3.1152 |
| Utility | 11.6349 | 0.57% | | 36.0862 | 1.82% | 34.4916 |
| Major Industrial | 3.2815 | 0.12% | | 10.1777 | 1.82% | 10.3581 |
| Light Industrial | 3.1855 | 0.77% | | 9.8800 | 1.82% | 10.3581 |
| Business | 3.5902 | 47.89% | | 11.1352 | 1.82% | 10.3581 |
| Rec/Non Profit | 1.9813 | 0.18% | | 6.1451 | 1.82% | 6.8316 |

Average residential property (\$834,000 assessed value) *increase* of \$46
 Typical business property (\$647,000 assessed value) *increase* of \$129



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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%)

Property Tax Increase 1.82%

| | Tax Ratio | Tax Share | | Tax Rate | Tax Change | 2020 Tax Rates |
|------------------|-----------|---------------|--|----------|------------|----------------|
| | | Excluding NMC | | | | |
| Residential | 1.0000 | 50.26% | | 3.0882 | 1.38% | 3.1152 |
| Utility | 11.6340 | 0.57% | | 35.9285 | 1.38% | 34.4916 |
| Major Industrial | 3.6139 | 0.13% | | 11.1606 | 11.66% | 10.3581 |
| Light Industrial | 3.6139 | 0.86% | | 11.1606 | 15.01% | 10.3581 |
| Business | 3.6139 | 48.00% | | 11.1606 | 2.05% | 10.3581 |
| Rec/Non Profit | 1.9813 | 0.18% | | 6.1187 | 1.38% | 6.8316 |

Average residential property (\$834,000 assessed value) *increase* of \$35
 Typical business property (\$647,000 assessed value) *increase* of \$148



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Tax Rate Option 4: Hold ratios same as 2020 (tax policy for business ratio 2007-2011)

Property Tax Increase 1.82%

| | Tax Ratio | Tax Share Excluding NMC | Tax Rate | Tax Change | 2020 Tax Rates |
|------------------|-----------|----------------------------|----------|------------|----------------|
| Residential | 1.0000 | 52.32% | 3.2144 | 5.52% | 3.1152 |
| Utility | 11.0720 | 0.57% | 35.5899 | 0.42% | 34.4916 |
| Major Industrial | 3.3250 | 0.12% | 10.6879 | 6.93% | 10.3581 |
| Light Industrial | 3.3250 | 0.83% | 10.6879 | 10.14% | 10.3581 |
| Business | 3.3250 | 45.96% | 10.6879 | -2.27% | 10.3581 |
| Rec/Non Profit | 2.1930 | 0.20% | 7.0492 | 16.80% | 6.8316 |

Average residential property (\$834,000 assessed value) *increase* of \$140

Typical business property (\$647,000 assessed value) *decrease* of \$158



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Scenario 2



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

Property Tax Increase 2.03%

| | Tax Ratio | Tax Share | | Tax Rate | Tax Change | 2020 Tax Rates |
|------------------|-----------|---------------|--|----------|------------|----------------|
| | | Excluding NMC | | | | |
| Residential | 1.0000 | 50.43% | | 3.1045 | 1.91% | 3.1152 |
| Utility | 11.6339 | 0.57% | | 36.1172 | 1.91% | 34.4916 |
| Major Industrial | 3.5902 | 0.13% | | 11.1457 | 11.51% | 10.3581 |
| Light Industrial | 3.5902 | 0.86% | | 11.1457 | 14.86% | 10.3581 |
| Business | 3.5902 | 47.83% | | 11.1457 | 1.91% | 10.3581 |
| Rec/Non Profit | 1.9812 | 0.18% | | 6.1506 | 1.91% | 6.8316 |

Average residential property (\$834,000 assessed value) *increase* of \$48
 Typical business property (\$647,000 assessed value) *increase* of \$136



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

Property Tax Increase 2.03%

| | Tax Ratio | Tax Share | | Tax Rate | Tax Change | 2020 Tax Rates |
|------------------|-----------|---------------|--|----------|------------|----------------|
| | | Excluding NMC | | | | |
| Residential | 1.0000 | 50.48% | | 3.1078 | 2.02% | 3.1152 |
| Utility | 11.6340 | 0.57% | | 36.1566 | 2.02% | 34.4916 |
| Major Industrial | 3.2811 | 0.12% | | 10.1971 | 2.02% | 10.3581 |
| Light Industrial | 3.1855 | 0.77% | | 9.9000 | 2.02% | 10.3581 |
| Business | 3.5902 | 47.89% | | 11.1578 | 2.02% | 10.3581 |
| Rec/Non Profit | 1.9812 | 0.18% | | 6.1573 | 2.02% | 6.8316 |

Average residential property (\$834,000 assessed value) *increase* of \$51
 Typical business property (\$647,000 assessed value) *increase* of \$144



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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%)

Property Tax Increase 2.03%

| | Tax Ratio | Tax Share | | Tax Rate | Tax Change | 2020 Tax Rates |
|------------------|-----------|---------------|--|----------|------------|----------------|
| | | Excluding NMC | | | | |
| Residential | 1.0000 | 50.26% | | 3.0945 | 1.58% | 3.1152 |
| Utility | 11.6338 | 0.57% | | 36.0008 | 1.58% | 34.4916 |
| Major Industrial | 3.6139 | 0.13% | | 11.1832 | 11.88% | 10.3581 |
| Light Industrial | 3.6139 | 0.86% | | 11.1832 | 15.25% | 10.3581 |
| Business | 3.6139 | 48.00% | | 11.1832 | 2.26% | 10.3581 |
| Rec/Non Profit | 1.9812 | 0.18% | | 6.1308 | 1.58% | 6.8316 |

Average residential property (\$834,000 assessed value) *increase* of \$40

Typical business property (\$647,000 assessed value) *increase* of \$160



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Tax Rate Option 4: Hold ratios same as 2020 (tax policy for business ratio 2007-2011)

Property Tax Increase 2.03%

| | Tax Ratio | Tax Share | | Tax Rate | Tax Change | 2020 Tax Rates |
|------------------|-----------|---------------|--|----------|------------|----------------|
| | | Excluding NMC | | | | |
| Residential | 1.0000 | 52.32% | | 3.2209 | 5.73% | 3.1152 |
| Utility | 11.0720 | 0.57% | | 35.6621 | 0.63% | 34.4916 |
| Major Industrial | 3.3250 | 0.12% | | 10.7096 | 7.15% | 10.3581 |
| Light Industrial | 3.3250 | 0.83% | | 10.7096 | 10.37% | 10.3581 |
| Business | 3.3250 | 45.96% | | 10.7096 | -2.08% | 10.3581 |
| Rec/Non Profit | 2.1930 | 0.20% | | 7.0635 | 17.04% | 6.8316 |

Average residential property (\$834,000 assessed value) *increase* of \$145

Typical business property (\$647,000 assessed value) *decrease* of \$146



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