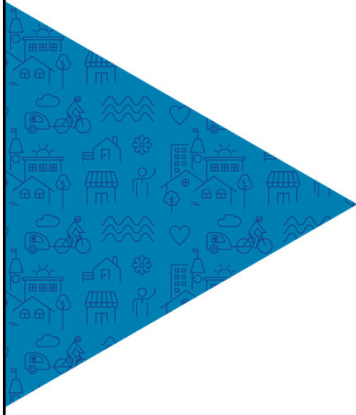


Revenue and Tax Policy Benchmarks and 2024 Tax Rates



1

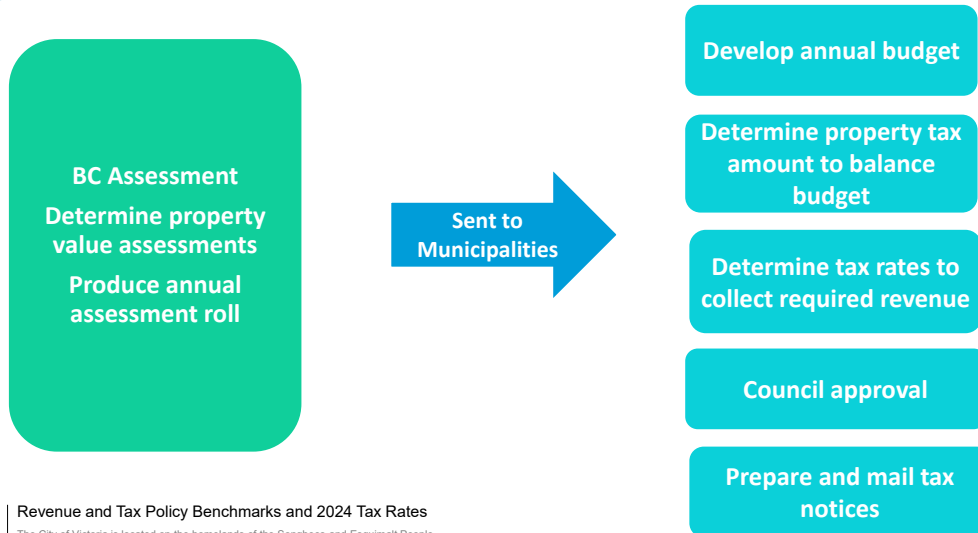
PURPOSE

- To provide updated benchmark measures related to the City's Revenue and Tax Policy
- To recommend changes to the Revenue and Tax Policy
- To seek direction on 2024 Tax Rates



2

BUDGET AND PROPERTY TAXES



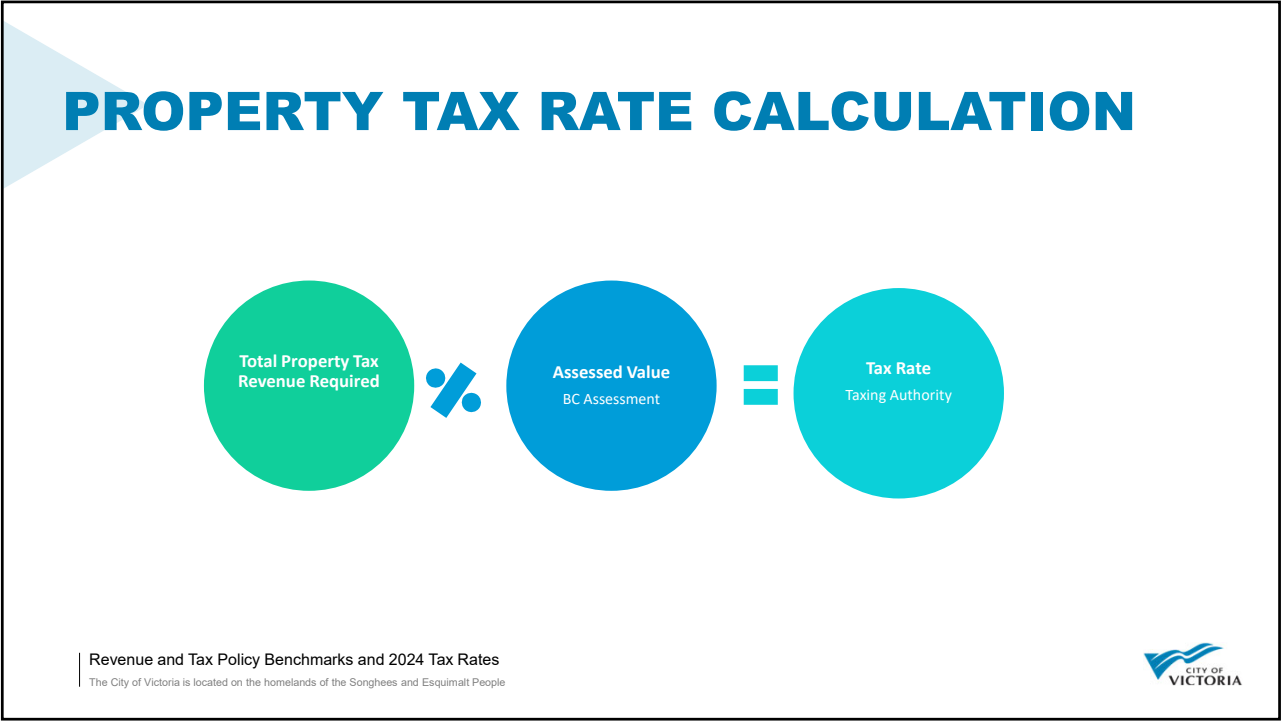
3

OTHER TAXING JURISDICTIONS

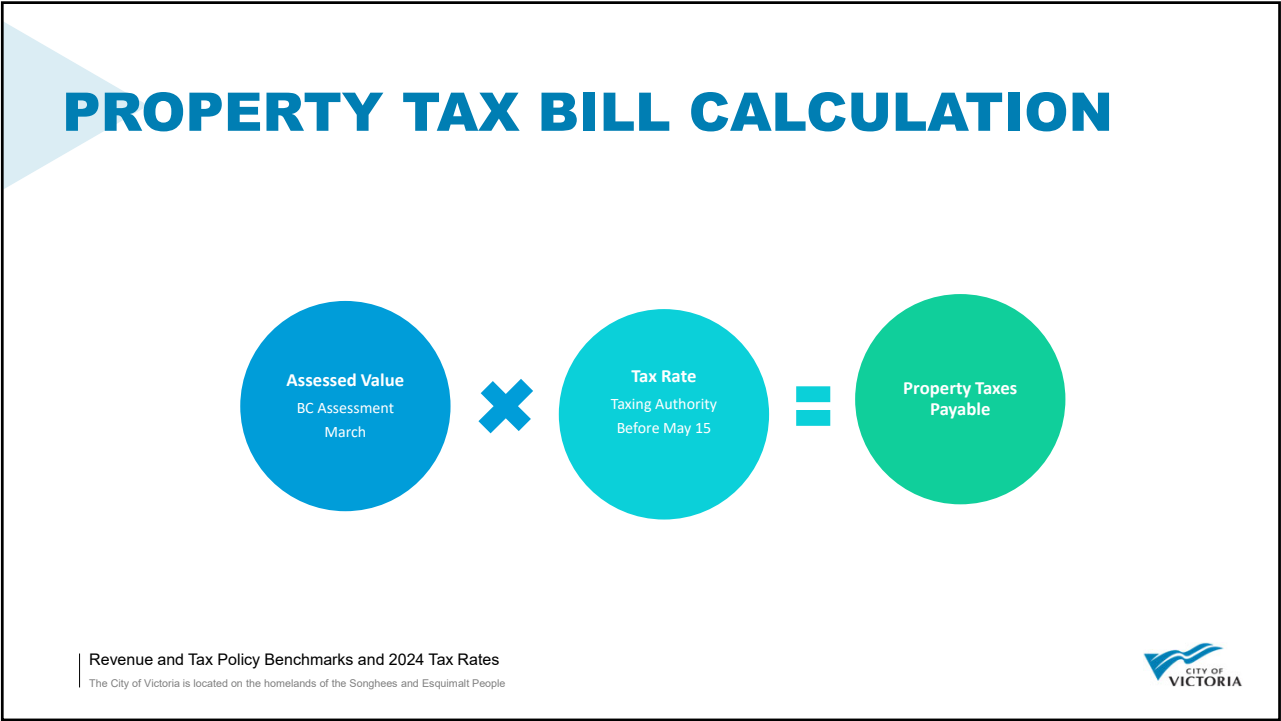
- City collects tax levies for other external entities
- Represent approximately 40% of total tax bill
- CRD/CRHD, BC Assessment, School Tax, BC Transit, MFA



4




5



6

IMPACT ON TAXPAYERS

	Your Property's Value Change	Property Tax Impact
1.	 LOWER than Average Change for Property Class	Taxes Likely* DECREASE
2.	 SIMILAR to the Average Change for Property Class	Taxes Likely* DO NOT CHANGE
3.	 HIGHER than Average Change for Property Class	Taxes Likely INCREASE

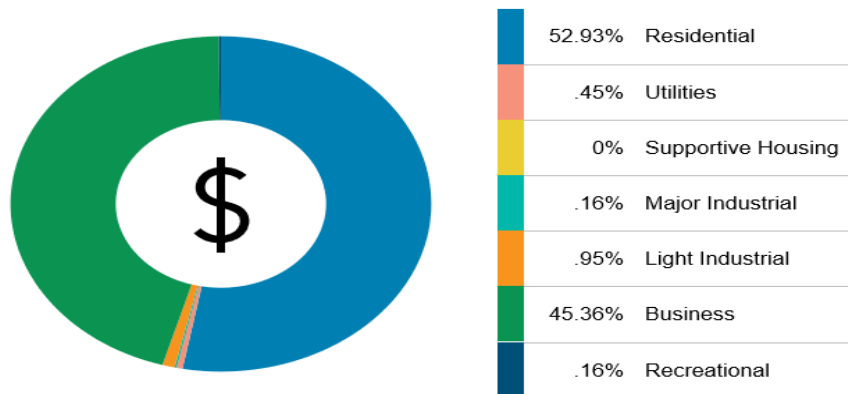
*The diagram above assumes that there are no changes in the distribution of property tax funding between property classes.

Revenue and Tax Policy Benchmarks and 2024 Tax Rates
The City of Victoria is located on the homelands of the Songhees and Esquimalt People



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2023 Distribution of Taxes Levied



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2023 Taxes Paid

Average Residential Property:

(Assessed at \$1,053,000)

City Portion	\$ 2,961
Other Agencies	<u>1,634</u>
Total Taxes	\$ 4,595

Typical Business Property:

(Assessed at \$714,000)

City Portion	\$ 7,636
Other Agencies	<u>3,860</u>
Total Taxes	\$ 11,496

Revenue and Tax Policy Benchmarks and 2024 Tax Rates

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Council Direction

1. Policy comprehensive review and update in 2015; annual review as part of tax rate setting
2. Report back on benchmarks annually
3. 2024 financial planning process
 - report on options to alleviate impact of assessed value increases for industrial classes

Revenue and Tax Policy Benchmarks and 2024 Tax Rates

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REVENUE AND TAX POLICY (Current)

Distribution of property taxes among property classes:

1. Maintain current share of distribution of property taxes – allocate tax increase 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

Revenue and Tax Policy Benchmarks and 2024 Tax Rates
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REVENUE AND TAX POLICY (Proposed Amendments)

• Distribution of property taxes among property classes:

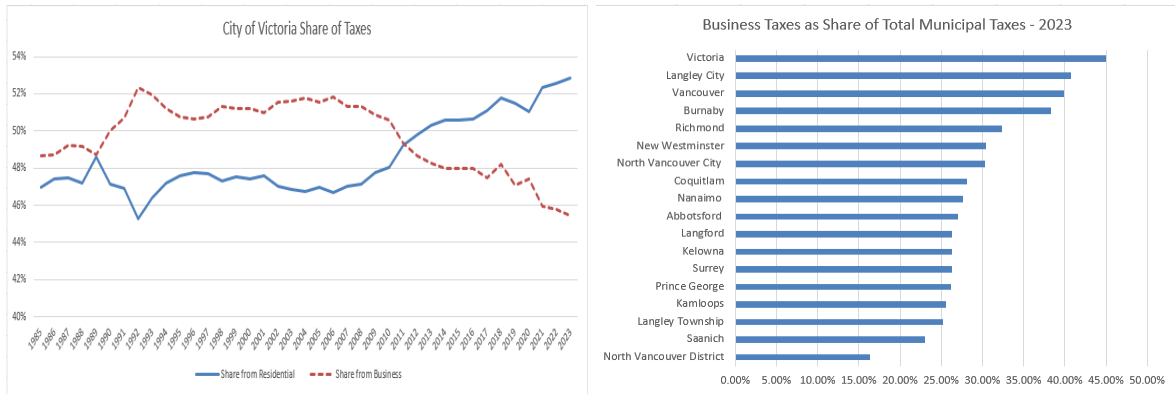
1. Policy 2.1 Tax rates for light and major industrial tax classes not exceed the business tax rate
2. Policy 3.2 Recognition of revitalization property tax exemptions that are governed by the applicable revitalization bylaws for specific purposes

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Benchmark: Share of Taxes

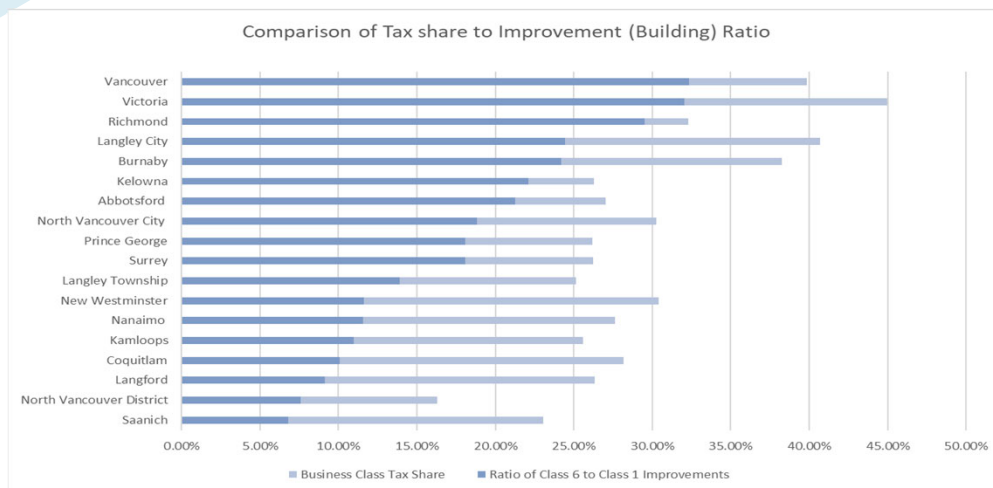


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Benchmark: Share of Taxes



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Benchmark: Business Tax Ratio & Rate

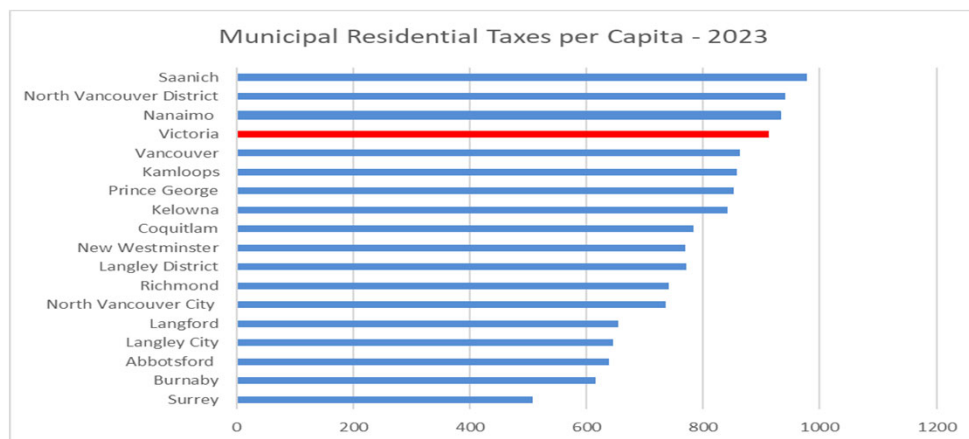


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Benchmark: Business Tax Ratio & Rate

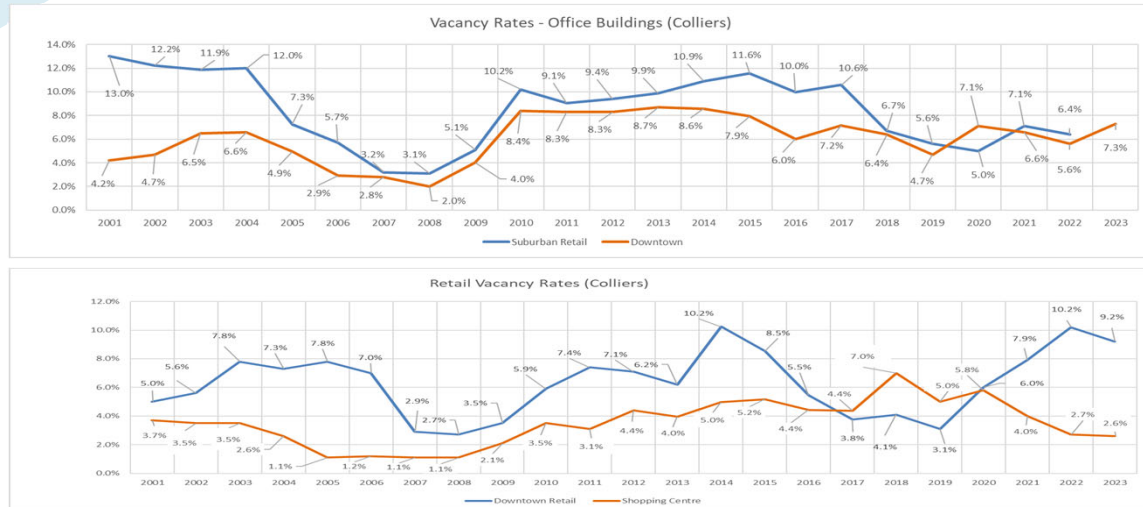


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Benchmark: Vacancy Rates



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Tax Rate Option 1: Equalize tax change across all tax classes; industrial not to exceed business (proposed amended tax policy)

Property Tax Increase 7.93%

	Tax Ratio	Tax Share Excluding NMC	Tax Rate	Tax Change	2023 Tax Rates
Residential	1.0000	52.93%	3.0569	7.93%	2.8109
Utility	12.0197	0.45%	36.7426	7.93%	34.7235
Major Industrial	3.3745	0.16%	10.3154	7.93%	10.6951
Light Industrial	3.6076	0.95%	11.0279	7.93%	10.6951
Business	3.6776	45.36%	11.2419	7.93%	10.6951
Rec/Non Profit	2.1809	0.16%	6.6667	7.93%	6.2949

Average residential property (\$1,046,000 assessed value) *increase* of \$235

Typical business property (\$733,000 assessed value) *increase* of \$604

Light industrial property (per \$100,000 of assessed value) *increase* of \$81

Revenue and Tax Policy Benchmarks and 2024 Tax Rates
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Tax Rate Option 2: Equalize tax change, hold industrial same as business (current tax policy)

Property Tax Increase 7.93%

	<u>Tax Ratio</u>	<u>Tax Share Excluding NMC</u>	<u>Tax Rate</u>	<u>Tax Change</u>	<u>2023 Tax Rates</u>
Residential	1.0000	52.91%	3.0559	7.90%	2.8109
Utility	12.0200	0.45%	36.7316	7.90%	34.7235
Major Industrial	3.6776	0.17%	11.2383	17.59%	10.6951
Light Industrial	3.6776	0.97%	11.2383	9.99%	10.6951
Business	3.6776	45.34%	11.2383	7.90%	10.6951
Rec/Non Profit	2.1809	0.16%	6.6646	7.90%	6.2949

Average residential property (\$1,046,000 assessed value) *increase* of \$234

Typical business property (\$733,000 assessed value) *increase* of \$602

Light industrial property (per \$100,000 of assessed value) *increase* of \$102

Revenue and Tax Policy Benchmarks and 2024 Tax Rates
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Tax Rate Option 3: Hold ratios same as 2023 (tax policy 2007-2011)

Property Tax Increase 7.93%

	<u>Tax Ratio</u>	<u>Tax Share Excluding NMC</u>	<u>Tax Rate</u>	<u>Tax Change</u>	<u>2023 Tax Rates</u>
Residential	1.0000	52.07%	3.0070	6.17%	2.8109
Utility	12.3533	0.46%	37.1463	9.12%	34.7235
Major Industrial	3.8049	0.17%	11.4413	19.71%	10.6951
Light Industrial	3.8049	0.98%	11.4413	11.98%	10.6951
Business	3.8049	46.16%	11.4413	9.85%	10.6951
Rec/Non Profit	2.2395	0.16%	6.7342	9.03%	6.2949

Average residential property (\$1,046,000 assessed value) *increase* of \$183

Typical business property (\$733,000 assessed value) *increase* of \$750

Light industrial property (per \$100,000 of assessed value) *increase* of \$122

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