

DATE OF MEETING | April 29, 2019 |

AUTHORED BY | BARBARA D. WARDILL, ACTING MANAGER, REVENUE SERVICES |

**SUBJECT                      2019 PROPERTY TAX RATES BYLAW**

## **OVERVIEW**

### **Purpose of Report**

To introduce "Property Tax Rates Bylaw 2019 No. 7287", for first, second and third readings. |

### **Recommendation**

That:

1. "Property Tax Rates Bylaw 2019 No. 7287" (To set the property tax rates for 2019) pass first reading;
2. "Property Tax Rates Bylaw 2019 No. 7287" pass second reading; and,
3. "Property Tax Rates Bylaw 2019 No. 7287" pass third reading.

## **BACKGROUND**

Once the dollar amount for 2019 property tax revenue has been finalized in the Financial Plan, that amount is translated into tax rates per \$1,000 of assessed value for the various classes of property in the City of Nanaimo. The assessment values are determined by the BC Assessment Authority, who provides this information to us on an annual basis.

The 2019 Financial Plan provided a 5.0% increase to the tax dollars to be collected after accounting for new construction.

For 2019, the market value of residential property increased by 10.53%. The larger assessment base results in an overall increase to the tax rates charged in the prior year for the City to collect the total tax dollars approved in the Financial Plan for 2019. The table below illustrates the estimated charge for an average residential property whose assessment value increased by the average 10.53%.

2018 Average Home Value	Municipal Tax Rate*	2018 Municipal Taxes Paid
\$467,220	4.288	\$2,003.44
Home Value Adjusted For 2019 Market Change**	2019 Tax Rate*	2019 Municipal Taxes
\$516,418	4.0697	\$2,101.67
* General Municipal & Debt residential tax rate (excludes Library)		
** Market change % provided by BC Assessment Authority		

If a residential property's value increases by more than this percentage, the tax increase will be higher than 5.0%. If the property's assessed value changes by less than the 10.53% increase, that property's tax increase will be less than 5.0%.

The tax rate schedule attached to Bylaw 7287 also includes tax rates applicable to the amounts requisitioned by the Vancouver Island Regional Library, the Regional District of Nanaimo, and the Nanaimo Regional Hospital District. The City of Nanaimo collects these taxes and remits the amounts to those agencies.

As noted in the Bylaw, the tax due date this year is July 2, 2019. A penalty of 5% will be charged on any amounts outstanding after this date. A second 5% penalty will be applied on amounts outstanding after August 9, 2019. The application of a 10% penalty on unpaid taxes is legislated under the *Community Charter*.

## **OPTIONS**

1. That:
  1. "Property Tax Rates Bylaw 2019 No. 7287" (To set the property tax rates for 2019) pass first reading;
  2. "Property Tax Rates Bylaw 2019 No. 7287" pass second reading; and,
  3. "Property Tax Rates Bylaw 2019 No. 7287" pass third reading.
    - a. **Budget Implication:** The City of Nanaimo will collect the property tax amount required to fund 2019.
2. Defer consideration of the report and request more information from Staff.
  - a. **Budget Implication:** The City of Nanaimo will not collect the property tax amount required to fund 2019 operations.
  - b. **Legal Implication:** The bylaw must be adopted by 2019-MAY-15. Delaying the first 3 readings will require additional Council meetings to complete adoption of the bylaw by the deadline.

### **SUMMARY POINTS**

- The 2019 property tax increase is 5.0%.
- The “Property Tax Rates Bylaw 2019 No. 7287” must be adopted by 2019-MAY-15.
- Annual property taxes fund City services, programs and capital programs, as approved in the Financial Plan.

### **ATTACHMENTS**

“Property Tax Rates Bylaw 2019 No. 7287”

#### **Submitted by:**

Barbara D. Wardill, CPA, CMA  
Acting Manager, Revenue Services

#### **Concurrence by:**

Laura Mercer, CPA, CGA  
Acting Director, Financial Services