

DATE OF MEETING | MAY 11, 2020 |

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

**SUBJECT | 2020 PROPERTY TAX RATES BYLAW**

## **OVERVIEW**

### **Purpose of Report**

To introduce “Property Tax Rates Bylaw 2020 No. 7309” for first, second, third readings and adoption. |

### **Recommendation**

That:

1. “Property Tax Rates Bylaw 2020 No. 7309” (To set the property tax rates for 2020) pass first reading;
2. “Property Tax Rates Bylaw 2020 No. 7309” pass second reading;
3. “Property Tax Rates Bylaw 2020 No. 7309” pass third reading; and,
4. “Property Tax Rates Bylaw 2020 No. 7309” be adopted.

## **BACKGROUND**

Once the dollar amount for 2020 property tax revenue has been finalized in the 2020 – 2024 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 2020 Financial Plan provided a 4.5% increase to the tax dollars to be collected after accounting for new construction.

For 2020, the market value of residential property increased by 1.69%. 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 2020 – 2024 Financial Plan for 2020. The table below illustrates the estimated charge for an average residential property whose assessment value increased by the average 1.69%. |

2019 Average Home Value	Municipal Tax Rate*	2019 Municipal Taxes Paid
\$518,384	4.0697	\$2,109.67
Home Value Adjusted For 2020 Market Change**	2020 Tax Rate*	2020 Municipal Taxes
\$527,145	4.1819	\$2,204.47
* 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 4.5%. If the property's assessed value changes by less than the 1.69% increase, that property's tax increase will be less than 4.5%.

The tax rate schedule attached to "Property Tax Rates Bylaw No. 7309" 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 2020-JUL-02. A penalty of 5% will be charged on any amounts outstanding after 2020-SEP-30. A second 5% penalty will be applied on amounts outstanding after 2020-NOV-11. The application of a 10% penalty on unpaid taxes is legislated under the *Community Charter*.

## **OPTIONS**

1. That:
  1. "Property Tax Rates Bylaw 2020 No. 7309" (To set the property tax rates for 2020) pass first reading;
  2. "Property Tax Rates Bylaw 2020 No. 7309" pass second reading;
  3. "Property Tax Rates Bylaw 2020 No. 7309" pass third reading; and,
  4. "Property Tax Rates Bylaw 2020 No. 7309" be adopted.
    - Financial Implications: The City of Nanaimo will collect the property tax amount required to fund 2020.
2. Defer consideration of the report and request more information from Staff.
  - Financial Implications: The City of Nanaimo will not collect the property tax amount required to fund 2020 operations. The bylaw must be adopted by 2020-MAY-15. Delaying will require additional Council meetings to complete adoption of the bylaw by the deadline.

**SUMMARY POINTS**

- The 2020 property tax increase is 4.5%.
- The “Property Tax Rates Bylaw 2020 No. 7309” must be adopted by 2020-MAY-15.
- Annual property taxes fund City services, programs and capital programs, as approved in the Financial Plan.

**ATTACHMENTS:**

“Property Tax Rates Bylaw 2020 No. 7309”

**Submitted by:**

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**Concurrence by:**

Laura Mercer  
Director, Finance

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General Manager, Corporate Services