

DATE OF MEETING MAY 3, 2021

AUTHORED BY BARBARA D. WARDILL, MANAGER, REVENUE SERVICES

SUBJECT 2021 PROPERTY TAX RATES BYLAW

OVERVIEW

Purpose of Report

To introduce "Property Tax Rates Bylaw 2021 No. 7321" for first, second and third readings.

Recommendation

That:

1. "Property Tax Rates Bylaw 2021 No. 7321" (To set the property tax rates for 2021) pass first reading;
2. "Property Tax Rates Bylaw 2021 No. 7321" pass second reading; and,
3. "Property Tax Rates Bylaw 2021 No. 7321" pass third reading.

BACKGROUND

Once the dollar amount for 2021 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 provide this information to the City on an annual basis.

The 2021 Financial Plan provides for a 3.0% increase to the tax dollars to be collected after accounting for new construction.

For 2021, the market value of residential property increased by 2.23%. 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 2021. The table below illustrates the estimated charge for an average residential property whose assessment value increased by the average 2.23%.

2020 Average Home Value	Municipal Tax Rate*	2020 Municipal Taxes Paid
\$532,355	4.1819	\$2,226.26
Home Value Adjusted For 2021 Market Change**	2021 Tax Rate*	2021 Municipal Taxes
\$544,227	4.2145	\$2,293.64
* 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 3.0%. If the property's assessed value changes by less than the 2.23% increase, that property's tax increase will be less than 3.0%.

The tax rate schedule attached to Bylaw 7321 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. Each year the property tax rates bylaw must be adopted before May 15th.

As noted in the Bylaw, the tax due date this year is 2021-JUL-02. A penalty of 1% will be charged on any amounts outstanding after 2021-JUL-02. A second 9% penalty will be applied on amounts outstanding after 2021-SEP-10. The application of a 10% penalty on unpaid taxes is legislated under the *Community Charter*.

OPTIONS

1. That "Property Tax Rates Bylaw 2021 No. 7321" (To set the property tax rates for 2021) pass first reading;

That "Property Tax Rates Bylaw 2021 No. 7321" pass second reading; and,

That "Property Tax Rates Bylaw 2021 No. 7321" pass third reading.
 - Financial Implications: The City of Nanaimo will collect the property tax amount required to fund 2021.
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 2021 operations. The bylaw must be adopted before 2021-MAY-15. Delaying will require additional Council meetings to complete adoption of the bylaw by the deadline.

SUMMARY POINTS

- The 2021 property tax increase is 3.0%.
- The “Property Tax Rates Bylaw 2021 No. 7321” must be adopted before 2021-MAY-15.
- Annual property taxes fund City services, programs and capital programs, as approved in the Financial Plan.

ATTACHMENTS:

“Property Tax Rates Bylaw 2021 No. 7321”

Submitted by:

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Concurrence by:

Laura Mercer
Director, Finance

Shelley Legin
General Manager, Corporate Services