

Staff Report for Decision

DATE OF MEETING MAY 5, 2025

AUTHORED BY ANA FRANCISCO, ASSISTANT MANAGER, REVENUE SERVICES

SUBJECT **2025 PROPERTY TAX RATES BYLAW**

OVERVIEW

Purpose of Report

To introduce “Property Tax Rates Bylaw 2025, No. 7397” for first, second, and third readings.

Recommendation

That:

- 1) “Property Tax Rates Bylaw 2025, No. 7397” (a bylaw to set the 2025 property tax rates) pass first reading;
- 2) “Property Tax Rates Bylaw 2025, No. 7397” pass second reading; and
- 3) “Property Tax Rates Bylaw 2025, No.7397” pass third reading.

BACKGROUND

Pursuant to Section 197 of the *Community Charter*, each year, after the adoption of the Financial Plan, a Council must, by bylaw, impose property value taxes for the municipal revenue proposed to be raised from property taxes and for the amounts to be collected by the municipality on behalf of other local governments or public bodies.

The tax rates (also referred to as mill rates) are applied to every \$1,000 of assessed value as determined by the BC Assessment Authority, based on a valuation date of July 1st of the previous year.

DISCUSSION

The 2025 Financial Plan provides for a 7.8% municipal budget increase over the amount requisitioned in 2024. Property tax rates are set each year to enable the City of Nanaimo (the City) to collect the amount required to support the municipal programs and services as approved by Council in the Financial Plan.

The average assessed value for a single-family residential property in Nanaimo (when adjusted for growth to exclude new construction) decreased by 0.04% in 2025 as compared to a decrease of 2.8% in 2024.

Although the amount of property tax levied on each property is directly related to its Class and assessed value (both determined by BC Assessment Authority), a significant change in the assessed value will not necessarily result in a proportionate significant change in property taxes.

The most important factor when determining how property taxes will be impacted is how a property's assessed value has changed relative to the average change in that property Class.

Impact to a Single-Family Home

The table below illustrates the estimated municipal taxes for a typical single-family residential property that had its assessed value decrease by the average of 0.04%:

Year	Average Single-Family Home Value	Municipal Tax Rate*	Estimated Gross Municipal Taxes Paid
2025	\$787,743	3.91081	\$3,080.71
2024	\$788,059	3.62746	\$2,858.65

*General Municipal & Debt residential tax rate (excludes Library)

If a residential property's assessed value decreases by more than the average percentage change of 0.04% the tax rate increase will likely be less than 7.8%. Alternatively, if a residential's property's assessed value percentage change is more than the average decrease of 0.04%, the tax increase will likely be more than 7.8%.

Schedule A of Bylaw 7397 also includes tax rates applicable to amounts requisitioned by the following entities:

- Regional District Hospital
- Regional District of Nanaimo
- Vancouver Island Regional Library

The City also collects taxes for School, BC Assessment Authority, and the Municipal Finance Authority. As the tax rates are directly set by these entities and not calculated by the City they are not included in the bylaw. As governed by legislation, the City remits these requisitioned amounts to these organizations.

The application of the 10% penalty on unpaid current year taxes is legislated under the *Municipal Tax Regulation*. City Council has approved the imposition of a 2% penalty on amounts outstanding after the tax due date of 2025-JUL-02 and a second penalty of 8% on the amounts outstanding after 2025-AUG-29 (last business day of August).

OPTIONS

1. That:

- 1) "Property Tax Rates Bylaw 2025, No. 7397" (a bylaw to set the 2025 property tax rates) pass first reading;
- 2) "Property Tax Rates Bylaw 2025, No. 7397" pass second reading; and
- 3) "Property Tax Rates Bylaw 2025, No.7397" pass third reading.

Advantages: The City will meet the 2025-MAY-15 legislated deadline to set the applicable property tax rates that will allow property taxes to be collected for the City and other local government and public bodies.

Financial Implications: The City will collect property tax amounts required to fund 2025 operations for the City and other local government and public bodies.

2. That Council defer consideration of the report and request more information from Staff.

Disadvantages: Delaying readings of the bylaw would require additional Council meets to complete the adoption of the bylaw by the legislated deadline of 2025-MAY-15.

Financial Implications: Until the property tax rates bylaw is adopted, the City will not be able to collect the property tax amounts required to fund 2025 operations.

SUMMARY POINTS

- Pursuant to Section 197 of the *Community Charter*, the Property Tax Rates bylaw must be adopted before May 15th each year.
- The property tax increase is directed by the 2025 – 2029 Financial plan. The 2025 budget increase is 7.8%.
- The annual property taxes fund City services, programs, and capital projects, as approved in the Financial Plan.
- The City collects property taxes on behalf of other local government and public bodies, as requisitioned by such.

ATTACHMENTS:

ATTACHMENT A: Property Tax Rates Bylaw 2025, No. 7397 |

Submitted by:

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