

FOR: COUNCIL
MEETING DATE: May 4, 2026
DEPARTMENT: CORPORATE SERVICES
SUBJECT: **2026 PROPERTY TAX RATES BYLAW**

OVERVIEW

Purpose of Report

To introduce the “Property Tax Rates Bylaw 2026, No. 7455” for first, second and third readings.

Recommendation

That:

1. “Property Tax Rates Bylaw 2026, No. 7455” (a bylaw to set the 2026 property tax rates) pass first reading;
2. “Property Tax Rates Bylaw 2026, No. 7455” pass second reading; and
3. “Property Tax Rates Bylaw 2026, No. 7455” pass third reading.

BACKGROUND

In accordance with Section 197 of the *Community Charter*, each year, after the adoption of the Financial Plan, Council must, by bylaw, impose property value taxes for the municipal revenue proposed to be collected from property taxes and for the amounts requisitioned 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 taxable assessed value as determined by the BC Assessment Authority, based on a valuation date of July 1st of the previous year.

DISCUSSION

The 2026 Financial plan reflects a 6.4% increase in the municipal budget compared to the 2025 budget. Property tax rates are set each year to ensure the City of Nanaimo collects sufficient revenue to support Council-approved municipal programs and services outlined in the Financial Plan.

The average assessed value for a single-family residential property in Nanaimo (when adjusted for growth to exclude new construction) increased by 0.87% in 2026 as compared to a decrease of 0.04% in 2025.

The key factor in determining the impact on property taxes is how a property's assessed value has changed compared to the average change for its property class.

Impact to the Average Single-Family Home

The table below illustrates the estimated municipal taxes for a typical single-family residential property that had its assessed value increase by the average of 0.87%. The proposed municipal tax increase is \$196 for the average residential property:

Year	Average Single-Family Home Value	Municipal Tax Rate ¹	Estimated Gross Municipal Taxes Paid
2026	\$797,225	4.12326	\$3,287
2025	\$790,349	3.91080	\$3,091

¹General Municipal and Debt residential tax rate (excludes library)

Gross municipal taxes paid are rounded

Residential properties with assessed value increase greater than the average 0.87% increase will likely see tax increases of more than 6.4%. Properties with a lower increase in assessed value can expect tax increases lower than 6.4%

Schedule A of Bylaw 7455 also includes tax rates applicable to amounts requisitioned by the following public bodies:

- 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 those organizations as it is done for the Regional District Hospital, Regional District of Nanaimo and the Vancouver Island Regional Library.

Under the *Municipal Tax Regulation*, a 10% penalty applies to unpaid current year taxes. City council has approved a 2% penalty on amounts unpaid after the 2026-JUL-02 deadline and an additional 8% penalty on amounts still outstanding after 2026-AUG-31, the last business day of August.

ALIGNMENT WITH CITY PLAN

The report is aligned with the following City goals:

- A Healthy Nanaimo: Community Wellbeing and Livability
 - The City can provide services and programs that support the wellbeing of the residents and the livability of the city.
- A Prosperous Nanaimo: Thriving and Resilient Economy
 - Leveraging the City's assets, growing a sustainable economy and enhancing the quality of life.

ALIGNMENT WITH COUNCIL'S STRATEGIC PRIORITIES

The report is aligned with the following Council Strategic Framework priorities:

- Maintaining and Growing Current Services

OPTIONS

1. That:
 1. "Property Tax Rates Bylaw 2026, No. 7455" (a bylaw to set the 2026 property tax rates) pass first reading;
 2. "Property Tax Rates Bylaw 2026, No. 7455" pass second reading; and
 3. "Property Tax Rates Bylaw 2026, No. 7455" pass third reading.

Advantages: The City will meet the 2026-MAY-15 legislated deadline to set the applicable property tax rates that will allow property taxes to be collected from the City and other local government and public bodies.

Financial Implications: The City will collect property tax amounts required to fund 2026 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 meetings to complete the adoption of the bylaw by the legislated deadline of 2026-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 2026 operations.

KEY MESSAGES

- In accordance with Section 197 of the *Community Charter*, the Property Tax Rates bylaw must be adopted by May 15th each year.
- The property tax increase is directed by the 2026 – 2030 Financial Plan. The 2026 budget increase is 6.4%.
- 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 2026, No. 7455

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