

Supports Item No. 7
CS&B Committee Agenda
April 28, 2005



CITY OF VANCOUVER
POLICY REPORT
PROPERTY TAXATION

Report Date: April 18, 2005
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CC File No.: 1552
Meeting Date: April 28, 2005

TO: Standing Committee on City Services and Budgets
FROM: General Manager of Corporate Services / Director of Finance
SUBJECT: 2005 Property Taxation: Distribution of the Property Tax Levy

RECOMMENDATIONS

- A. THAT Council reaffirm the use of the existing approach for distributing the general purposes property tax levy among the various property classes, in which Council sets a fixed share of the tax levy to be paid by each property class, as described in this report.

If A is approved the following choices are for Consideration:

- B. THAT Council continue the existing distribution of the general purposes property tax levy among property classes, of approximately 43% residential and 57% non-residential, and instruct staff to report to Council annually on this distribution.

OR

- C. THAT Council adopt a policy of shifting the distribution of the general purposes property tax levy from the non-residential to residential classes at a rate to be determined annually, until the relative shares of the tax levy paid are 52% from the residential classes and 48% from the non-residential classes.

If C is approved, the following is submitted for Consideration:

- D. THAT for 2005, Council approve a shift from the non-residential to the residential classes equal to 1% of the general property tax levy (approximately \$4.5 million), which would result in the residential classes paying approximately 44.6% of the tax levy and the non-residential classes paying approximately 55.4% of the tax levy, as outlined in this report.

If Council wishes a more extensive review of taxation policy, E is submitted for Consideration.

- E. THAT Council instruct staff to report back with the terms of reference and cost estimate for an external review of general purposes property tax policy, to include the opportunity for input from representatives of residential and non-residential taxpayers.**

CITY MANAGER'S COMMENTS

The City Manager notes that establishing property tax policy is one of the most difficult decisions that Council must make. There is no formula and no right or wrong answer to the question of how the cost of the City's tax-supported services should be distributed among the various property classes. Every municipal council throughout the province must determine how their taxation objectives should be reflected in tax distribution.

The business community argues that the taxes on the non-residential classes is inequitable compared to the residential classes, and proposes a major change in how tax rates are calculated and in the distribution of the levy. The City Manager is not supportive of this approach, noting that the proposal could result in considerable instability in the distribution of the tax levy from year to year, a result that Council would be unable to control.

As to the question of whether the non-residential sector is bearing an unreasonable share of the taxation burden, the answer is not so straightforward. In the mid 1990s, Council acknowledged an inequity and in five of nine years from 1994 to 2003 approved shifts of the tax levy totalling \$15 million from the non-residential to the residential classes. However, no target distribution was ever established.

This report offers Council two options. The first is to adopt a target distribution that is the closer to the average for the larger municipalities in the region. This is the same distribution as was in place in 1975, before major shifts in the distribution began, and is the same as the current allocation in the provincial school levy: a 52% residential and 48% non-residential distribution. Phased in over a number of years this will represent a shift of approximately \$36 million to the residential tax levy, which would be an 18% increase.

The second option is for Council to undertake a broad review of the taxation distribution question, engaging all property owner and taxpayer segments. This will represent a significant task and, if Council wishes to take this approach, should be conducted using external resources. However, Council should be aware that reaching a community consensus on this question will likely be difficult and at the end of the process, Council will still be left to make the decision based on its qualitative assessment of the issues.

To summarize, the City Manager **RECOMMENDS** that Council adopt Recommendation A of this report, and offers for Council's consideration the option between establishing a target now or undertaking a broader community review of taxation policy. Should Council choose to set a target now, then the City Manager supports the option presented in Item C and the phased approach to achieving it presented in Item D.

COUNCIL POLICY

Since 1983, it has been Council's policy to collect a fixed share of the total property tax levy from each of the seven property tax classes in Vancouver. Over time, this share has been adjusted slightly by properties transferring from one property class to another, by new construction that adds value to a property class, and by various Council decisions that have affected the share of the tax levy paid by each class.

PURPOSE

The purpose of this report is twofold:

- to provide Council with background and context for the policy governing how much of the total tax levy is paid by the various classes of property in the City (termed the distribution of the property tax levy) to be used in making future tax distribution policy decisions, and
- to present for Council consideration a shift of the property tax levy from non-residential to residential properties in 2005.

DISCUSSION

The term *tax distribution policy* refers to how Council makes decisions about how much of the total tax levy each property class pays in each year. There is no "right" method of doing this. In making this decision, Council can consider factors such as the distribution of assessed value among property classes, estimates of services consumed or benefits received by each property class, comparisons to the tax distribution of other taxing jurisdictions, and/or the City's own historical tax distribution.

This report sets out a discussion about the City of Vancouver's tax distribution policy, including:

1. a brief overview of the method used for calculating property taxes,
2. a history of Vancouver's tax distribution policy,
3. the policy options available to Council for determining the tax distribution among property classes over time,
4. a recent history of shifts in Vancouver's tax distribution,
5. a comparison Vancouver's tax distribution to several other municipalities and other taxing authorities,
6. an projected estimate of the 2005 tax distribution, and projection of the impacts of a one percent shift in property taxes from non-residential to residential classes,
7. an assessment of the implications of the proposal being put forth to Council by the Fair Tax Coalition,
8. some alternatives to the City's current tax distribution,

9. a discussion of the various objectives to be considered when establishing property tax policy,
10. options available to Council for the development of a tax distribution policy,
11. a history of stakeholder consultation related to Vancouver's property tax policy, and
12. a list of factors that would be outside the scope of a tax distribution policy study.

OVERVIEW OF PROPERTY TAX METHODOLOGY

Like all municipalities in British Columbia, Vancouver has had a market-based assessment and taxation system since the mid 1970s. There are several steps in calculating property taxes:

- The BC Assessment Authority (BCAA), an arm's length Crown corporation, classifies and values every property in Vancouver.
- Each year through the Operating Budget process, Council determines the property tax funding necessary to balance the City's operating budget.
- Based on Council policy related to the distribution of the tax levy, a tax rate for each class of property is calculated to generate the required revenue for that year.
- Council has an established policy of collecting a fixed share of the total levy from each of the seven property classes.
- These tax rates are applied to each property's assessed value, which establishes the property taxes payable by that property in a given year.

Property Values Drive the Tax Rate, Not the Total Amount of Taxes Collected

It is noted that assessed property values do not drive the amount of property taxes the City collects each year, as the tax levy is decided by Council through the process described above. That is to say, when a property's value increases from one year to the next, it is not necessarily the case that the taxes collected from that property will increase. Whether or not this happens depends primarily on how much the value of that property has increased relative to the average value increase for that property class.

Rather than drive the amount of taxes collected, property values drive the tax rate, as tax rates are calculated as:

$$\text{Tax Rate for Each Class} = \frac{\text{Amount of Tax to be Collected from the Class (Determined by Council)}}{\text{Total Taxable Property Value of the Class (Determined by the BCAA)}}$$

Appendix A provides a more thorough description of each of these steps, and indicates which entity has responsibility for making policy decisions related to each of these elements. This report focuses on the third of these steps: how Council determines the amount of taxes to be collected from each property class each year.

It should be noted that the tax system is set up so that Council can control the amount of tax each class of properties will pay but not the amount individual properties within these classes pay. The impact on individual properties is determined by their values relative to each other, values that are established in a process independent of Council. As a result, Council should not set tax policy on the basis of the impact on individual properties. This is not to say that the impacts on individual properties are not important, just that making policy decisions at this level will complicate the decision-making process, as (given the mathematics of property tax calculation) there will always be winners and losers among individual properties from year to year. Tax policy should be based on what Council can control which, in this case, is how the tax levy and its distribution impacts on classes of property.

HISTORY OF VANCOUVER'S TAX DISTRIBUTION POLICY

A Fixed Rate Ratio Approach Until 1983

Until 1983, BC municipalities did not have the authority to determine how the property tax levy was distributed among the various property classes. From the time market value assessments were implemented until 1983, Vancouver used what was essentially a "fixed tax rate ratio" model¹. With this approach, the tax rate for each class is determined as a multiple of the tax rate for the residential class. Over this period, the City used the same tax distribution by class as that used for the provincial school property tax levy.

More Autonomy Over Tax Policy Given to BC Municipal Councils in 1983

Because of this fixed ratio approach, changes in assessed values from 1977 to 1981 resulted in significant shifts of property taxes from the residential class to the non-residential classes. This is because non-residential market values increased at a faster rate than did those of residential properties over this period. Because of these shifts, Council made representations to the provincial government, requesting that city councils be given the authority to establish their own tax levy distribution policy. This authority was granted for the 1983 tax year.

¹ This system referred to as the "uniform tax rate" approach involved the City setting a single tax rate for all classes of property which was applied to a percentage of assessed value for each property in a class. This percentage, which was different for each class, was set by the provincial government and effectively resulted in a fixed rate ratio among tax rates.

Vancouver City Council Chooses a Fixed Share Approach in 1983

With variable taxing authority, municipal governments were granted the ability to independently set the tax rates for each property class, with full control over how much tax they could collect from each class, and with no limit on the total amount of taxes collected from any one class. At that time, Vancouver City Council considered two alternative approaches to their property tax distribution policy. Council could have chosen to either:

- (i) set tax rate ratios among property classes, or
- (ii) set the share of the tax levy that is paid by each property class.

After considering the implications of each approach, Council chose the second of these alternatives, and established a policy of fixing the shares of the total tax levy to be paid by each property class. Each of these methods are discussed in more detail in the section that follows.

It is not possible for Council to control **both** the ratio among tax rates and the share of the tax levy paid by each class. Over time, no matter what option Council chose, either the tax rate ratio or the relative share of the tax levy among classes would be affected by changes in market value.

OPTIONS FOR ESTABLISHING THE TAX DISTRIBUTION AMONG PROPERTY CLASSES

This section discusses the various approaches to determining the tax distribution that are available to Council.

Option 1: Fix the Tax Rate Ratios Among the Classes

With this approach, the tax rate applied to each class is a **fixed multiple of that paid by the residential class**. For example, the tax rate paid by the business class might be set at four times that paid by the residential class, meaning that, in a given year, if the residential class tax rate was \$3.00 per \$1,000 of taxable value the business class tax rate would be \$12.00 per \$1,000 of taxable value.

- *Tax Rate Ratios Among Property Classes Are Set by Council.* Under this option, the tax rate ratio remains constant, while the share of the total levy paid by each class “floats” over time. That is, the share of the levy paid by any class will change from year to year, as a result of relative changes in the market values in each of the classes.
- *Share Of Tax Levy Paid By Each Class Depends On The Way Market Value Change From Year To Year.* When property values in one class increase at a faster rate than those in other classes, the share of the total levy paid by that class increases accordingly. At the same time, the ratio between the tax rates of the non-residential classes and the residential class remains constant.

- *Council Had to Use This Approach Until 1982.* This is the approach that was imposed on Council until 1983 by the provincial government.
- *Council Rejected This Approach in 1983.* This alternative limits Council's ability to influence the distribution of taxes among property classes, which was the main reason Council rejected this option in 1983. Council felt that the share of the tax levy paid by each property class should be determined by intentional decisions made by Council, rather than market value changes that are out of their control.
- *New Taxes Associated With New Construction Are Not Collected From Associated Class.* This approach does not allow taxes associated with new construction value to be collected from the specific property class in which the new construction occurred. Rather, incremental taxes associated with the value of new construction are collected across all property classes in proportion to the established rate ratios, not in proportion to where new value has been added to each property class as a result of new construction.
- *GVRD Still Uses This Approach for Their Tax Levy.* This approach continues to be used in calculating tax rates for the Greater Vancouver Regional District levy. All other taxing authorities in Vancouver have the power to use the same variable tax rate approach as the City.

Option 2: Fix the Share of the Levy Collected From Each Class

With this approach, each property class pays a fixed percentage of the total tax levy. For example, the share of the levy paid by the business class might be set at 55%, that paid by the residential class be set at 40%, and the other classes pay the remaining 5%.

- *Share of the Tax Levy Paid by Each Class is Determined by Council.* Under this option, the relative shares of the tax levy paid by each class remain constant, while the tax rate ratios among classes "floats" over time. With this approach, the relationship between the tax rates among classes (e.g., the tax rate ratio) is a by-product of Council's primary decision to maintain fixed shares of the tax levy over time.
- *Tax Rate Ratios Among Classes Depend on Market Values.* Rather than change the distribution of the tax levy among classes, changes in market value force changes in the relationships among the class tax rates. When the market values of one class increase at a faster rate than those of another class over time, it is the tax rate ratios that change. At the same time, the share of the total levy paid by each class is not affected.
- *Council Adopted This Approach in 1983.* Council chose this approach for determining the tax distribution in 1983, using the rationale that:
 - Council policy about how the classes of property should share in the cost of municipal services, not changes in market value should determine how the tax levy is distributed among the classes;

- by maintaining a constant sharing of the tax levy among the classes and accounting for the shifting impacts of new construction and interclass transfers, a desired level of stability in how classes of property shared in the cost municipal services would be retained into the future; and
 - with the adjustments to the tax distribution approved in 1982 and 1983, Council determined that an appropriate measure of equity had been achieved in the tax distribution.
- *Share of Levy Paid by Each Class is Adjusted for Transfers and New Construction.* With this approach, adjustments to the share of the levy are made for class transfers and for new construction. For example, when a property is reclassified by BCAA, the taxes that were collected from that property are subtracted out of the class to which it originally belonged, to ensure that other properties in that class do not pay more taxes as a result of the transfer. The argument sometimes made that this fixed share approach will result in the last business property paying the entire business property tax levy is therefore incorrect.
 - *Higher Tax Rates Do Not Necessarily Mean Higher Taxes for an Individual Property.* Despite tax rates and tax rate ratios that may increase over time, a property in the business class whose assessed value has changed at the same rate as has the average value for that class **would pay the same property taxes as it did ten years ago**, but for Council-imposed increases to the overall tax levy, which have averaged approximately 2.75% PA over the past decade. (It is noted however, that in Vancouver, the market value of many properties has increased at a rate much greater than their class average, and resultant year-to-year tax increases for these properties have been significant.)

Option 3: Use a Consumption-Based Approach to Determine the Tax Distribution

In 1995 Council considered a third approach to tax distribution that requires explanation. Acting on the recommendation of the Property Tax Task Force, City Council commissioned KMPG Consulting to undertake a study that explored the relationship between the consumption of tax-supported City services and the taxes paid by the residential and non-residential property classes. The Property Tax Task Force was an advisory group comprised of representatives of Vancouver's residential, business and industrial taxpayers, all of whom were Vancouver residents.

KPMG estimated that, at that time, the residential class consumed a greater share of tax-supported City services than did the non-residential classes, while at the same time the residential class paid approximately 40% of the tax levy. The non-residential classes paid approximately 60% of the tax levy. Based on these figures, the authors computed what they termed a "consumption-payment ratio" of 3.7:1 between the non-residential and residential classes.

TABLE 1. KPMG'S 1995 ESTIMATES OF CONSUMPTION OF TAX-SUPPORTED SERVICES

	RESIDENTIAL CLASS	NON-RESIDENTIAL CLASSES
A. Approximate share of taxes paid	40%	60%
B. Estimate of tax-supported services consumed	71%	29%
C. Dollar of tax paid per dollar of tax-supported services consumed (A ÷ B)	\$0.56	\$2.07
D. "Consumption-payment ratio"	1.0	3.7

Note: Applying this methodology to the 2004 property tax levy, the residential class paid \$0.61 and the non-residential classes paid \$1.96 of taxes per dollar of tax-supported services consumed, resulting in a consumption ratio of 3.2.

Based on these findings, the authors recommended that City Council determine a rate-of-adjustment policy that would have led to the residential class paying a higher share of the total levy than they did in 1995. The authors also recommended that Council use a target "consumption-payment ratio" as a means of making longer-term decisions about the distribution of the tax levy among property classes, and that the consumption study be repeated at regular intervals for this purpose.

Council chose not to pursue a consumption-based approach to determining the tax distribution, for the following four reasons.

- *Determining true consumption of City services is not really possible.* Determining who "consumes" many of the services the City provides is not a straightforward undertaking, particularly when direct and indirect benefits are taken into account. Who is "consuming" the City's roads, police and fire services, planning services, library services, and so on? The answers to these questions may to a large extent be dependent on the approach taken to and the assumptions underlying the analysis.
- *Assessment-based property taxation is not an appropriate mechanism to charge for benefits received.* Under our assessment system, how much property tax an individual taxpayer pays is directly related to the value of his/her property, not to the services received by that taxpayer. The best mechanism for collecting payment for services directly consumed is a user fee. Because the extent to which an individual or a commercial enterprise "consumes" municipal services has little or no relation to that individual's property value, property tax should not be considered a direct payment for services consumed.
- *User fees are the appropriate payment mechanism to reflect benefits received.* Approximately one quarter of the City's annual revenues comes from user fees, collected for clearly definable services such as water, sewer and solid waste utility fees, planning and development permits and recreation services. It is important to note that since the time KPMG undertook this study, the City has implemented two new utilities (sewer and solid waste) which has resulted in over \$45 million of costs

now being funded by consumption-based user fees, as opposed to by property taxes, as was the case before the consumption study was completed.

- *The value of undertaking a thorough study of consumption of tax-supported City services every few years is questionable.* While KPMG recommended that the consumption study be renewed every few years, and the results be used to adjust the tax distribution, this work is of questionable value because it is unlikely that the results would change much over time. Moreover, it is a relatively involved and costly undertaking to complete a study of consumption of tax-supported services such as the one done by KPMG in 1995.

HISTORY OF SHIFTS IN VANCOUVER'S TAX DISTRIBUTION

In 1995, Council took no policy action based on the consumption study, choosing at that time to continue with their policy of fixing the share of the tax levy paid by each class (and letting tax rate ratios float according to market changes). However, Council was concerned about the level of taxation on the non-residential properties and, in five of the nine years that followed, approved shifts in the distribution of the tax levy from the non-residential to the residential classes of property (see Appendix E).

In total, between 1994 and 2003, approximately \$15 million in taxes was shifted from the non-residential classes to the residential classes. These shifts did not change Council's policy that the taxation burden should be based on the "fixed share" approach. However, it did represent a series of adjustments to the distribution based on equity considerations. Since 1994, Council has considered this decision on an annual basis, but to date, no long-range policy as to where the target distribution among classes should fall has been adopted.

The following table summarizes the tax distribution in 2004 with comparable figures for 1975, 1984 and 1994. Appendix D includes more detailed information about assessments and taxation for the years 1983 to 2004.

**TABLE 2. HISTORICAL DISTRIBUTION OF VANCOUVER'S TAX LEVY,
 SELECTED YEARS FROM 1975 TO 2004**

	1975	1984	1994	2004
<u>Tax Levy (\$000s)</u>				
Residential Classes	\$44,108	\$66,404	126,229	\$187,919
Non-Residential Classes	\$39,606	\$100,276	\$188,577	\$245,753
Total	\$83,714	\$166,680	\$314,806	\$433,672
<u>Share of Tax Levy</u>				
Residential Classes	51.6%	39.8%	40.1%	43.4%
Non-Residential Classes	48.4%	60.2%	59.9%	56.6%
Total	100.0%	100.0%	100.0%	100.0%

Notes: Residential Classes include Class 1 Residential, Class 8 Seasonal/Recreational and Class 9 Farm.

Non-Residential Classes include Class 2 Utilities, Class 4 Major Industry, Class 5 Light Industry and Class 6 Business/Other.

As can be seen in Table 2, the non-residential share of the levy was approximately 48% in 1975. Significant shifts of taxes to the non-residential classes from 1975 to 1982 as a result of the provincially-mandated tax distribution policy, in addition to large increases in non-residential values, resulted in this share increasing to 60% by 1984. This increase occurred despite efforts to partially offset the earlier shifts in 1983. Since 1984, the non-residential share has been reduced by approximately 4%, as a result of (i) net interclass transfers of property value, (ii) the addition of new construction value to the class, and (iii) the aforementioned tax shift decisions made by Council. During this same period the residential levy has increased by about 4%.

TAX DISTRIBUTIONS OF OTHER TAXING AUTHORITIES

One measure by which Council can assess the City's tax distribution policy is to compare it to that of other taxing jurisdictions. This section provides some information on the tax distributions of various Canadian municipalities as well as those of other taxing authorities that levy property taxes in Vancouver.

In comparing the City's tax distribution to that in other jurisdictions, it is important to note that there are several factors that may justify the different tax distributions, such as:

- different municipalities tend to offer differing ranges of services (e.g., transit, ambulance, social services),
- different municipalities may enjoy a different mix of revenue sources in addition to property taxes (e.g., utility and user fees), and

- the composition of property classes in different municipalities may be radically different.

Selected British Columbia and Other Canadian Cities

The tax distribution decisions made by city councils across the province vary significantly. The table below summarizes the shares of the overall tax levy borne by the residential and non-residential classes in 2004 in selected cities. As can be seen in this table, Vancouver has the highest distribution of the tax levy falling on the non-residential classes among the BC municipalities listed. More detailed information about municipal taxation in BC is included in Appendix F.

TABLE 3. TAX DISTRIBUTION AMONG RESIDENTIAL & NON-RESIDENTIAL CLASSES FOR SELECTED MUNICIPALITIES, 2004

MUNICIPALITY	% OF TOTAL ASSESSED VALUE		% OF TOTAL TAX LEVY	
	RESIDENTIAL	NON-RESIDENTIAL	RESIDENTIAL	NON-RESIDENTIAL
<u>BC Municipalities</u>				
Vancouver	81%	19%	43%	57%
Victoria	72%	28%	47%	53%
Burnaby	79%	21%	47%	53%
Richmond	78%	23%	51%	49%
Coquitlam	88%	13%	57%	43%
Abbotsford	84%	16%	66%	34%
Kelowna	83%	17%	69%	32%
Surrey	88%	12%	70%	30%
North Vancouver District	93%	7%	72%	28%
<u>Municipalities Outside BC</u>				
Toronto	n/a	n/a	36%	64%
Montreal	n/a	n/a	50%	50%
Calgary	n/a	n/a	50%	50%
Edmonton	n/a	n/a	55%	45%

Note: The non-residential levy in municipalities outside BC includes any business occupancy tax charged in those jurisdictions. Vancouver phased out the business occupancy tax in 1983/84 by transferring the tax requirement to the assessment based property tax levy.

Other Taxing Authorities

The following table summarizes the distribution of tax levies of the other taxing authorities in Vancouver.

**TABLE 4. TAX DISTRIBUTION AMONG RESIDENTIAL & NON-RESIDENTIAL CLASSES
 FOR SELECTED VANCOUVER TAXING AUTHORITIES, 2004**

TAXING AUTHORITY	% OF TOTAL ASSESSED VALUE		% OF TOTAL TAX LEVY	
	RESIDENTIAL	NON-RESIDENTIAL	RESIDENTIAL	NON-RESIDENTIAL
Translink	81%	19%	42%	58%
Provincial School Tax	81%	19%	52%	48%
BCAA	81%	19%	60%	40%
Municipal Finance Authority	81%	19%	92%	9%

Note: Translink also allocates costs to residential properties through the Hydro levy, which is not included in this table.

2005 PROJECTIONS: TAX DISTRIBUTION & IMPACTS OF A ONE PERCENT TAX SHIFT

Table 5 below provides an overview of the projected tax levies, tax rates and tax rate ratios for 2005, for the residential and business classes. As the averaged roll for 2005 was not available at the time this report was prepared, both 2004 and 2005 are considered with the impacts of averaging removed.

Impacts Without a One Percent Tax Shift

The change in the tax rate ratio from 2004 to 2005 is the result of much faster market value growth in the residential class, as compared to the business class, over this period. Despite this increase in the tax rate ratio, the Business/Other class will pay 53.7% of the tax levy in 2005, the same share as paid in 2004.

Moreover, properties in either class that increased in market value at the average for the class will see an increase in taxes equal to the Council-approved increase of 2.99%. The share of the levy paid by the residential class has increased slightly as a result of increased value in that class due to new construction and inter-class transfers (and not due to increased value due to changes in market value).

Impacts of a One Percent Tax Shift in 2005

In five of the past ten years, Council has decided to shift the shares of the levy paid from the non-residential to the residential classes. The amount shifted in each year has ranged from \$2.0 million to \$3.7 million (details are provided in Appendix E).

Recommendation D, provided for Council’s consideration, gives Council the option of similarly shifting one percent of the tax levy from the non-residential classes to the residential class in 2005. Table 5 shows the impacts of such a shift for the 2005 tax year.

TABLE 5. 2005 PROJECTIONS: CITY OF VANCOUVER TAX LEVIES, TAX RATES & TAX RATE RATIOS - WITHOUT THREE-YEAR LAND AVERAGING

	2004		2005 - NO SHIFT		2005 - 1% SHIFT	
	\$	%	\$	%	\$	%
<u>Taxable Value (\$000s)</u>						
Class 1 - Residential	\$65,157,108	81.2%	\$78,394,888	83.0%	\$78,394,888	83.0%
Class 6 - Business/Other	\$14,291,843	17.8%	\$15,704,441	16.6%	\$15,704,441	16.6%
All Other Classes	\$797,568	1.0%	\$395,402	0.4%	\$395,402	0.4%
Total	\$80,246,519	100.0%	\$94,494,731	100.0%	\$94,494,731	100.0%
<u>Tax Levy (\$000s)</u>						
Class 1 - Residential	\$187,581	43.3%	\$197,859	43.6%	\$202,398	44.6%
Class 6 - Business/Other	\$228,961	52.8%	\$243,848	53.7%	\$239,525	52.8%
All Other Classes	\$17,131	4.0%	\$12,162	2.7%	\$11,946	2.6%
Total	\$433,673	100.0%	\$453,869	100.0%	\$453,869	100.0%
<u>Est'd Tax Rate (per \$1,000 value)</u>						
Class 1 - Residential	\$2.88	-	\$2.52	-	\$2.58	-
Class 6 - Business/Other	\$16.02	-	\$15.53	-	\$15.25	-
Business:Residential Tax Rate Ratio	5.6 to 1	-	6.2 to 1	-	5.9 to 1	-

For clarity, a 1% tax shift will result in \$4.5 million being transferred from the non residential to the residential classes resulting in an additional tax increase of 2.3% or approximately \$30 on a \$500,000 residential property. For the business class, the impact would be a reduction in taxes of approximately \$0.28 per \$1000 of assessed value or \$280 on a \$1.0 million property.

THE VANCOUVER BOARD OF TRADE & "FAIR TAX COALITION" PROPOSAL

Since the early 1990s, a number of representations have been made to Council by non-residential property owners interested in reducing the property tax burden on their properties. As discussed above, Council has shifted approximately \$15 million in taxes from the non-residential classes to the residential classes in response to these representations.

Fair Tax Coalition's Rationale for Lower Non-Residential Property Taxes

The Vancouver Fair Tax Coalition is a collection of local business improvement associations and other business representatives, headed by the Vancouver Board of Trade. This group has recently renewed the call for lower non-residential property taxes, arguing that there is a fundamental inequity in the current distribution of the tax levy, citing:

- the widening relationship between residential and non-residential tax rates (that is, the increasing ratio of Class 6 rates to Class 1 rates),

- the indication in the 1995 KMPG consumption study that the business class was paying 60% of the property tax levy but consuming only 30% of municipal services, and
- the increasing property tax pressure on small- and medium-sized business in Vancouver.

When considering these arguments, it is important to note the following three points.

- Given Council's "fixed share" policy, combined with the changes in market property values in these classes over the last twenty years, this increasing tax rate ratio is exactly what would have been expected.
- Despite increasing tax rate ratios between the non-residential and residential classes, a property in any class whose market value has increased at the same rate as the average for their class would pay the same property taxes over time, adjusted only for Council-imposed tax increases to the overall levy, which have averaged 2.75% PA over the past decade.
- It is uneven changes in market value within each class that have been the primary factor leading to individual properties experiencing extreme year-over-year increases to their property tax bills over the past two decades. This is true in both the residential and non-residential classes.

Fair Tax Coalition's Proposal to Lower Non-Residential Property Taxes

The Fair Tax Coalition's proposal to change the tax distribution has two components:

- (i) that Council switch from a "fixed share of the levy" approach to a "fixed tax rate ratio" approach for determining the tax distribution, and
- (ii) that Council adjust the relationship between the residential class tax rate and the business class tax rate over a twenty year period, until a tax rate ratio of 3 to 1 is achieved.

The implications of this proposal for the business and residential tax rates are shown in Table 6 below.

SOME ALTERNATIVES FOR TARGET TAX DISTRIBUTIONS

Adopt the Fair Tax Coalition Proposal

The impact of the Fair Tax Coalition's proposal that Council move to a 3 to 1 business to residential tax rate ratio would be to shift approximately \$82 million of the tax levy from the non-residential classes to the residential classes. It is projected that this would result in 62%

of the tax distribution ultimately paid by the residential class, and 38% by the non-residential class (based on 2005 figures)².

This would mean:

- For the average single family property in Vancouver, a tax increase of approximately 42%, from \$1,475 to \$2,095 (a 2% increase per year, phased in over twenty years).
- A 31% decrease for business properties, e.g., taxes on a \$1 million property in the business class would decrease from \$15,520 to \$10,740 (a 1.6% decrease per year, phased in over twenty years).

Re-establish the 1975 Distribution: 52% Residential & 48% Non-Residential

In order to re-establish the 1975 tax distribution, in which the residential class pays 52% of the levy and the non-residential class pays 48% of the levy, a shift of approximately \$37 million would be required. This would result in the City's distribution being the same as that in place for the provincial school levy.

This would mean:

- For the average single family property in Vancouver, a tax increase of approximately 18%, from \$1,475 to \$1,743 (with the percentage increase per year to depend on the rate of the shift decided by Council).
- A 14% decrease for business properties, e.g., taxes on a \$1 million property in the business class would decrease from \$15,520 to \$13,320 (with the percentage decrease per year to depend on the rate of the shift decided by Council years).

TABLE 6. TWO OPTIONS FOR A TARGET TAX DISTRIBUTION

	CURRENT DISTRIBUTION		REESTABLISH 1975 DISTRIBUTION		FAIR TAX COALITION PROPOSED DISTRIBUTION	
	BEFORE SHIFT		SHIFT TO 52% RESIDENTIAL & 48% NON-RESIDENTIAL DISTRIBUTION		AFTER SHIFT TO 62% RESIDENTIAL & 38% NON-RESIDENTIAL DISTRIBUTION	
	TAX RATE PER \$1,000 VALUE	SHARE OF LEVY	TAX RATE PER \$1,000 VALUE	SHARE OF LEVY	TAX RATE PER \$1,000 VALUE	SHARE OF LEVY
Residential	\$2.52	44%	\$2.98	52%	\$3.58	62%
Business/Other	\$15.52	54%	\$13.32	45%	\$10.74	38%
All Other Classes	-	2%	-	3%	-	< 0%

² For the purposes of this analysis, it is assumed that the four non-residential classes would have the same 3 to 1 ratio. The impact of not including Class 2 Utilities and Class 4 Major Industry would be small, as they represent a small component of the overall tax levy.

Notes: The Fair Tax Coalition proposes phasing their change over twenty years, until a target business to residential tax rate ratio of 3 to 1 is achieved.

Over time, tax rates and tax rate ratios would ultimately be dependent on both the share of the levy set by Council, and changes in market value in the two classes. Since market value changes cannot be predicted, this table serves as an illustration only.

The proposal that a “fixed tax rate ratio” approach be adopted by Council represents a significant change in tax distribution policy and is not recommended because of the instability it could create in the taxation system, outcomes that Council will be powerless to control. If Council believes there is inequity between the taxes paid in the residential and non-residential classes, then the solution is to change the shares of the tax levy paid by the various classes rather than moving away from the current “fixed share of the levy” approach.

OBJECTIVES TO BE CONSIDERED IN ESTABLISHING A PROPERTY TAX POLICY

Establishing policy related to how the property tax burden should be distributed among the various classes of property is one of the most complex and important decisions Council must make. However, there is no “formula” that can be applied and no right or wrong answer to the question of tax distribution. Rather each Council must consider its own circumstances, needs and objectives in making the decision about how the cost of municipal services are recovered through the tax system.

Municipal councils must determine how its taxation objectives should be defined, what other objectives should influence the tax system, and how municipal costs should be divided among the various types of property as a result. As illustrated in Tables 3 and 4 above, there is no common approach among municipalities in the region, the province or nationally and none among the other taxing authorities in Vancouver.

Appendix B summarizes some of the objectives that might be considered as part of determining tax distribution policy.

OPTIONS FOR DEVELOPING TAX DISTRIBUTION POLICY

Because there is no one right answer to the question of tax distribution, finding the appropriate policy will not be achieved by simply repeating the 1995 KPMG study of consumption of tax-supported services, because consumption of service is only one factor to consider in defining appropriate property tax policy.

Council can opt for three approaches to tax distribution policy at this point in time:

- confirm the current approach to property tax distribution and the current distribution among the property classes (per Recommendations A and B of this report),
- confirm the current approach to property tax distribution and adjust the relative shares among the property classes (per Recommendations A and C of this report), or

- commission a review of the property tax distribution issues with any ensuing changes to be effective beginning in 2006 (per Recommendations E of this report).

If Council chooses to undertake a review of the current tax distribution policy, it is recommended that this work be done by a consultant, in consultation with City staff and with input from residential, business, industrial and other stakeholder groups. It might be appropriate to put the review in the hands of an ad hoc Advisory Panel similar to those used in the past.

Ideally the process would present Council with a set of choices for a tax distribution policy that could be used as the basis for future decision-making. The following outlines some of the questions that the consultancy might address.

General Tax Policy Principles

- a. Identify the principles that underlie the City's property tax policy. Examples might include:
 - A principle about which types of municipal services property taxes should be used to fund. For example, there may be services currently being funded with property taxes that should be funded via user fees or other approaches.
 - A principle about which evaluation criteria to use in assessing equity and stability in the City's property tax system. Some of these are outlined in Appendix B.
 - A principle regarding how the tax system can or should be utilized to achieve other municipal objectives such as land use or economic development outcomes.

Distribution of Tax Levy Among Property Classes / Tax Rates

- b. What is the most appropriate way of determining how much of the tax levy is paid by each of the property classes each year. Should that be based on maintaining fix shares of total levy, on fixing the ratios between residential and other tax rates, on a consumption-approach, or on some other approach?
- c. If it is most appropriate to fix the shares of the total levy paid by each class, what should the target shares be, what should the implementation plan be for achieving this target (if different than current), and what factors should trigger an adjustment to the distribution?
- d. If it is most appropriate to fix the tax rate ratios among property classes, what should these target ratios be, and what should the implementation plan be for achieving this target (if different than current)?
- e. Is it appropriate to consider income tax impacts when making decisions about the tax distribution among the various classes?
- f. How should new construction be treated for the purposes of property taxation?
- g. How should class transfers be treated for the purposes of property taxation?

- h. Does the City's current property tax policy have an impact on business and residential land use decisions, and, if yes, what are these impacts?

Mitigation Measures

- i. Under its tax policy, should Council consider measures through which the taxation impact on individual properties can be mitigated? For example, should Council continue to use three-year land averaging in the calculation of property taxes for the residential and business classes?

HISTORY OF STAKEHOLDER CONSULTATION

Between 1993 and 1999, Council used a citizen's task force approach to study the issues around property taxation and to make suggestions about the problems they identified. There were three incarnations, each with a specific mandate, laid out in the following table. In each case, the groups were made up of representatives of residential, business and industrial taxpayers, all of whom lived in Vancouver.

TABLE 7. RECENT VANCOUVER PROPERTY TAX ADVISORY GROUPS

ADVISORY GROUP	TERM	MANDATE	PUBLISHED WORK
Property Tax Task Force	1993 - 1994	To collectively identify and address problems related to Vancouver's property tax system.	<i>City of Vancouver Task Force on Property Taxation, Report to Council, April 1994</i>
Property Tax Advisory Group	1994 - 1995	To provide input to KPMG as part of the study of consumption of tax-supported services, to ensure that community perspectives were incorporated into the study.	<i>Input into KPMG's Study of Consumption of Tax-Supported City Services, March 1995</i>
Citizens' Advisory Group on Property Taxation	1995 - 1999	To carry on the work started by the Property Tax Task Force, both providing Council with input into tax policy decisions, and educating the people and/or organisations they represented re: City's tax policy.	While it did not publish its work, the group provided comment to Council on several occasions on the implementation of the Solid Waste and Sewer utilities.

FACTORS OUTSIDE THE SCOPE OF A TAX DISTRIBUTION POLICY STUDY

The following elements of the property tax system are outside of the direct control of Council, and therefore it is recommended that these not be included in any review of the City's property tax policy:

- the determination of each property's taxable value (which is the responsibility of the BCAA),
- the assignment of each property to a property classes, or to more than one property class, for mixed-use properties (which is the responsibility of the BCAA),

- the existence and design of provincial programs related to property tax, such as the Homeowner Grant program and the Tax Deferment program (which are the responsibility of the provincial government),
- tax exemptions that are defined in the Vancouver Charter (which is the responsibility of the provincial government), and
- property taxes collected by other taxing authorities (which are the responsibility of those authorities).

FINANCIAL IMPLICATIONS

There are no financial implications to the City associated with this report. However, changes to property taxation policy could impact on the way the tax levy is distributed to property in the City which will in turn impact on the tax bills received by individual property owners.

CONCLUSION

This report describes the main components of the City's property tax system, and identifies which are in the control of City Council. The report recommends that if Council believes there is inequity in the shares of the tax levy borne by the residential and non-residential classes, then the appropriate solution is a shift in the burden within the current "fixed share" approach to tax distribution rather than in a change to a "fixed rate ratio" approach. Option for the development of a long-range tax policy is provided for Council's consideration.

* * * *

ELEMENT	DESCRIPTION	DETERMINED BY
TAXABLE VALUE	In BC, the taxable value of almost all property is its market value, as determined by the BC Assessment Authority (BCAA). The exceptions to this are properties that cannot be readily valuated at market, e.g., those used by heavy industry and utility companies. Market values are not "controlled" by any governing body, but rather are determined by the BCAA as, " ... the most probable price that an unencumbered property would sell for on the open market"	BC Assessment Authority, per the BC Assessment Act
TOTAL TAX LEVY	This is the total amount of money the City collects via property taxes in a given year. This amount is driven by the City's overall budget according to the following formula: total tax levy = budgeted expenditures - budgeted non-tax revenues.	Vancouver City Council
COUNCIL-DIRECTED TAX INCREASES	As part of the annual budget process, Council decides how much to increase the total amount of taxes collected (the total tax levy) over the previous year. While this is commonly referred to as the "tax increase," it is important to note that there are several other factors that can affect an individual property's year-over-year increase in taxes paid, the most important of which is the change in its market value over the prior year.	Vancouver City Council
PROPERTY CLASSES	In BC, each property falls into one of nine property classes, as defined in the BC Assessment Act. These classes are: residential, utilities, unmanaged forest, major industry, light industry, business/other, managed forest, recreational/not-for-profit and farm. A property can be termed "mixed use" by the BCAA, which means that its value is apportioned into two or more property classes, based the use of the property.	BC Assessment Authority, per the BC Assessment Act
TAX DISTRIBUTION	The "tax distribution" refers to how the City's total tax levy is divided among the property classes. Since 19xx, this determination has been made by City Council. The method used to make this determination is discussed in this report.	Vancouver City Council
TAX RATES - GENERAL TAX LEVY	The tax rate paid by each class is expressed as a dollar figure per \$1,000 of taxable value. Since 19xx, the tax rate for each property class is determined by City Council. The method used to make this determination is discussed in this report.	Vancouver City Council

ELEMENT	DESCRIPTION	DETERMINED BY
TAX RATES - OTHER TAXING AUTHORITIES	In addition to collecting property taxes to fund a large portion of the municipal operating budget, the City also collects property taxes on behalf of five other taxing authorities: provincial school taxes, Translink, the BCAA, the Municipal Finance Authority and the GVRD. The City acts only as a collector for these agencies, and has no control over the amounts collected or any other aspect of these taxes.	Respective taxing authorities
TAX EXEMPTIONS	Certain properties are exempted from paying property taxes, per the Vancouver Charter. Vancouver City Council also has limited control over some permissive tax exemptions, e.g., for heritage properties. The City does not lose tax revenues as a result of an exemption. Rather, the "cost" of exempting a property is paid for by the other properties that belong to the same property class.	Largely Provincial Government via Vancouver Charter; City Council has discretion to grant some exemptions
MITIGATION MEASURES	The mitigation measures that have been available to Council since the early 1990s (per the Vancouver Charter) include three-year land averaging and land phasing. These are means of providing taxpayers relief from extreme tax increases due to very large year-over-year changes in market values. They are designed to protect the market-value philosophy, and to be revenue-neutral, which means that the City collects the same total amount of taxes whether the measure is in place or not, in any given year.	Provincial Government via Vancouver Charter, City Council can decide each year to enact or not to enact
PROVINCIAL PROGRAMS	The Homeowner Grant program provides a partial tax rebate for taxpayers who live in a home that they own. The amount of this rebate varies with the value of the home. The Province also offers a tax deferral program to seniors and disabled homeowners, which is essentially a low-interest loan which can be used to pay property taxes. These programs are fully in the control of the provincial government, and the City's only involvement is to help administer them.	Provincial Government

CRITERION / PRINCIPLE	DESCRIPTION	RELATIONSHIP TO A MARKET-BASED PROPERTY TAX SYSTEM
1. BENEFITS RECEIVED	This principle asserts that taxes should be considered in relation to benefits received by those who pay, e.g., those who benefit either directly or indirectly from a tax-supported service should pay more taxes.	A market-based property tax system does not closely comply with this principle because the value of a taxpayer's property often has little relation to the municipal services consumed either directly or indirectly by that property.
2. ABILITY TO PAY	According to this principle, taxes should be levied at a rate that increases as the income or wealth of the taxpayer increases.	A market-based property tax system does not closely comply with this principle because (a) taxable value does not take into account mortgage or other debt associated with a property, and (b) two property owners (or business tenants) with properties of the same assessed value may differ greatly with respect to their annual disposable income.
3. EQUAL TREATMENT OF EQUALS	Taxpayers who are in equal circumstances should be subject to the same assessment and the same tax.	In a market-based tax system, this principle is invoked, for example, via the assignment of like properties to a distinct property class, and also via the taxpayers' right to appeal their assessments on the grounds that their property is over assessed in relation to comparable properties.
4. STABILITY & PREDICT-ABILITY FOR TAXPAYERS	Ideally, taxpayers should be able to reasonably predict the amount of tax to be paid each year.	When land values in a city are stable, so generally are property taxes. However, in a rapidly-changing city such as Vancouver, a property tax can be very unpredictable and unstable as market values change at different rates both within and among property classes.
5. RELIABILITY FOR TAXING AUTHORITY	Ideally, the taxing authority should be able to reasonably predict the amount of tax to be collected each year.	With the approach taken by the City of Vancouver, it is City Council who decides the total amount of tax to be collected each year, which provides for great year-to-year certainty around these revenues.
6. SOCIO-ECONOMIC IMPACT	A tax can be assessed in terms of its "efficiency," defined as its impact on the allocation of resources in an economy.	Taxation policy should ideally complement Council's land use policies and zoning by-laws in order to best encourage certain types of development and land use in the city.

BC Assessment places property in nine classes, based on the property's type or use. Municipal zoning regulations are separate and do not fall under BC Assessment's jurisdiction.

The property classes

Class 1, Residential – single-family residences, multi-family residences, duplexes, apartments, condominiums, nursing homes, seasonal dwellings, manufactured homes, recreational property, some vacant land, farm buildings and daycare facilities.

Class 2, Utilities – structures and land used by railways, pipelines, electrical generation or transmission utilities, or telecommunications transmitters. This does not include offices or sales outlets.

Class 3, Class formerly known as Unmanaged Forest Land has been repealed.

Class 4, Major Industry – land and improvements (buildings) of major industrial properties, including lumber and pulp mills, mines, smelters, large manufacturers of specified products, ship building and loading terminals for sea-going ships.

Class 5, Light Industry – property used or held for extracting, manufacturing or transporting products, including ancillary storage. Scrap metal yards, wineries and boat-building operations fall within this category. Exceptions include properties used for the production of food and non-alcoholic beverages, which fall into Class 6.

Class 6, Business Other – Property used for offices, retail, warehousing, hotels and motels all fall within this category. This also includes properties that do not fall into other classes.

Class 7, Managed Forest Land – privately-owned, forest land property for which an acceptable forest management commitment has been made that is approved and complies with the *Private Managed Forest Land Act*. Property owners in this class have an obligation to provide good resource management practices, such as reforestation, care of young trees, protection from fire and disease and sound harvesting methods. For more information on managed forest land, consult the Fact Sheets titled: *Managed Forest Land Classification in British Columbia* and *How Land Classified as Managed Forest is Assessed*

Class 8, Recreational Property, Non-profit Organization – includes two very different categories:

- land used solely as an outdoor recreational facility for activities such as golf, skiing, tennis, public swimming pools, waterslides, amusement parks, marinas and hang gliding. Improvements on the land (such as a clubhouse) fall into Class 6.
- property used for at least 150 days per year as a place of public worship or as a meeting hall by a non-profit, fraternal organization. The 150 days cannot include activities with paid admission or the sale/consumption of alcohol.

Class 9, Farm Land – Farm land must produce a prescribed amount of qualifying primary agricultural products for sale such as crops or livestock. For more information on farm land, see the Fact Sheet titled: *Classifying Farm Land*.

Split Classification

Property with several distinct uses can fall into more than one class. For example, commercial and residential space might be combined in one building, or a property combines residential, farm and forest land. In these cases, BC Assessment determines the share of the value of the property attributable to each class.

source: www.bcassessment.bc.ca

TABLE D1. CITY OF VANCOUVER GENERAL TAX LEVY BY PROPERTY CLASS (\$000)

YEAR	CLASS 1 RESIDENTIAL	CLASS 2 UTILITIES	CLASS 4 MAJOR INDUSTRY	CLASS 5 LIGHT INDUSTRY	CLASS 6 BUSINESS/ OTHER	CLASS 8 SEASONAL	CLASS 9 FARM	TOTAL
1984	\$66,244	\$2,898	\$6,187	-	\$91,192	\$159	\$1	\$166,680
1985	\$69,008	\$3,839	\$6,673	-	\$96,141	\$154	\$1	\$175,815
1986	\$73,962	\$3,061	\$7,025	-	\$104,192	\$239	\$1	\$188,479
1987	\$75,704	\$3,119	\$6,671	-	\$105,951	\$255	\$1	\$191,700
1988	\$83,609	\$2,762	\$3,657	\$3,554	\$116,456	\$286	\$1	\$210,325
1989	\$88,754	\$5,604	\$3,848	\$3,460	\$123,684	\$304	\$1	\$225,655
1990	\$95,329	\$5,877	\$4,099	\$3,579	\$133,024	\$304	\$1	\$242,212
1991	\$102,338	\$6,005	\$4,238	\$3,401	\$143,596	\$321	\$0	\$259,899
1992	\$109,464	\$6,247	\$4,422	\$3,539	\$153,938	\$269	\$0	\$277,878
1993	\$115,518	\$6,530	\$4,630	\$3,074	\$163,999	\$317	\$0	\$294,068
1994	\$125,919	\$6,676	\$6,166	\$3,146	\$172,589	\$310	\$0	\$314,806
1995	\$133,142	\$6,997	\$6,189	\$3,150	\$171,443	\$321	\$0	\$321,242
1996	\$137,541	\$6,735	\$5,944	\$3,091	\$174,789	\$287	\$0	\$328,385
1997	\$149,311	\$6,479	\$4,047	\$4,893	\$183,069	\$306	\$0	\$348,105
1998	\$146,997	\$6,540	\$5,122	\$2,798	\$190,017	\$235	\$0	\$351,707
1999	\$155,022	\$5,832	\$4,730	\$3,219	\$197,528	\$265	\$0	\$366,596
2000	\$157,622	\$5,932	\$4,689	\$3,302	\$197,158	\$283	\$0	\$368,985
2001	\$155,680	\$5,949	\$4,739	\$3,898	\$201,698	\$273	\$0	\$372,237
2002	\$164,764	\$6,004	\$5,070	\$4,134	\$210,027	\$327	\$0	\$390,326
2003	\$177,769	\$5,953	\$4,863	\$4,383	\$221,568	\$327	\$0	\$414,863
2004	\$187,582	\$6,111	\$6,268	\$4,413	\$228,961	\$338	\$0	\$433,673

TABLE D2. SHARE OF CITY OF VANCOUVER GENERAL TAX LEVY PAID BY EACH PROPERTY CLASS

YEAR	CLASS 1 RESIDENTIAL	CLASS 2 UTILITIES	CLASS 4 MAJOR INDUSTRY	CLASS 5 LIGHT INDUSTRY	CLASS 6 BUSINESS/ OTHER	CLASS 8 SEASONAL	CLASS 9 FARM	TOTAL
1984	39.7%	1.7%	3.7%	-	54.7%	0.1%	0.0%	100.0%
1985	39.3%	2.2%	3.8%	-	54.7%	0.1%	0.0%	100.0%
1986	39.2%	1.6%	3.7%	-	55.3%	0.1%	0.0%	100.0%
1987	39.5%	1.6%	3.5%	-	55.3%	0.1%	0.0%	100.0%
1988	39.8%	1.3%	1.7%	1.7%	55.4%	0.1%	0.0%	100.0%
1989	39.3%	2.5%	1.7%	1.5%	54.8%	0.1%	0.0%	100.0%
1990	39.4%	2.4%	1.7%	1.5%	54.9%	0.1%	0.0%	100.0%
1991	39.4%	2.3%	1.6%	1.3%	55.3%	0.1%	0.0%	100.0%
1992	39.4%	2.2%	1.6%	1.3%	55.4%	0.1%	0.0%	100.0%
1993	39.3%	2.2%	1.6%	1.0%	55.8%	0.1%	0.0%	100.0%
1994	40.0%	2.1%	2.0%	1.0%	54.8%	0.1%	0.0%	100.0%
1995	41.4%	2.2%	1.9%	1.0%	53.4%	0.1%	0.0%	100.0%
1996	41.9%	2.1%	1.8%	0.9%	53.2%	0.1%	0.0%	100.0%
1997	42.9%	1.9%	1.2%	1.4%	52.6%	0.1%	0.0%	100.0%
1998	41.8%	1.9%	1.5%	0.8%	54.0%	0.1%	0.0%	100.0%
1999	42.3%	1.6%	1.3%	0.9%	53.9%	0.1%	0.0%	100.0%
2000	42.7%	1.6%	1.3%	0.9%	53.4%	0.1%	0.0%	100.0%
2001	41.8%	1.6%	1.3%	1.0%	54.2%	0.1%	0.0%	100.0%
2002	42.2%	1.5%	1.3%	1.1%	53.8%	0.1%	0.0%	100.0%
2003	42.9%	1.4%	1.2%	1.1%	53.4%	0.1%	0.0%	100.0%
2004	43.3%	1.4%	1.4%	1.0%	52.8%	0.1%	0.0%	100.0%

TABLE D3. TAXABLE VALUE BY PROPERTY CLASS, CITY OF VANCOUVER PROPERTIES
WITHOUT THREE-YEAR LAND AVERAGING (\$000s)

YEAR	CLASS 1 RESIDENTIAL	CLASS 2 UTILITIES	CLASS 4 MAJOR INDUSTRY	CLASS 5 LIGHT INDUSTRY	CLASS 6 BUSINESS/ OTHER	CLASS 8 SEASONAL	CLASS 9 FARM	TOTAL
1984	\$12,723,101	\$159,506	\$340,312	-	\$5,768,962	\$30,957	-	\$19,022,837
1985	\$14,207,601	\$204,735	\$309,147	-	\$6,040,930	\$25,808	-	\$20,788,221
1986	\$14,499,868	\$150,340	\$296,869	-	\$6,229,061	\$38,426	-	\$21,214,564
1987	\$15,805,280	\$117,246	\$276,360	-	\$6,528,468	\$44,792	-	\$22,772,145
1988	\$16,151,362	\$121,207	\$134,793	\$131,008	\$6,618,520	\$47,114	-	\$23,204,005
1989	\$22,094,920	\$233,242	\$133,181	\$120,147	\$7,970,413	\$60,008	-	\$30,611,911
1990	\$22,643,341	\$240,183	\$135,871	\$134,713	\$8,198,168	\$60,941	\$52	\$31,413,268
1991	\$34,523,366	\$261,719	\$172,239	\$141,556	\$11,811,424	\$97,133	\$49	\$47,007,486
1992	\$35,208,109	\$269,831	\$171,917	\$138,586	\$12,041,047	\$86,507	\$49	\$47,916,044
1993	\$43,351,825	\$242,695	\$180,855	\$127,681	\$12,695,838	\$118,862	\$34	\$56,717,789
1994	\$47,585,781	\$246,043	\$204,875	\$124,807	\$11,705,167	\$118,221	\$63	\$59,984,959
1995	\$50,348,576	\$258,727	\$204,861	\$121,845	\$11,483,914	\$121,526	\$55	\$62,539,504
1996	\$53,006,709	\$244,406	\$192,897	\$118,888	\$12,094,421	\$110,443	\$56	\$65,767,821
1997	\$53,723,659	\$211,509	\$130,591	\$178,742	\$12,739,332	\$110,111	\$75	\$67,094,019
1998	\$54,036,440	\$222,561	\$177,229	\$100,481	\$13,268,355	\$86,229	\$76	\$67,891,370
1999	\$51,144,758	\$189,205	\$153,965	\$111,725	\$13,246,016	\$87,375	\$76	\$64,933,120
2000	\$50,698,715	\$198,257	\$153,536	\$220,987	\$13,195,466	\$90,903	\$73	\$64,557,937
2001	\$51,814,750	\$199,694	\$159,454	\$260,295	\$13,457,316	\$86,889	\$73	\$65,978,471
2002	\$53,301,369	\$192,073	\$181,315	\$268,834	\$13,647,333	\$107,326	\$84	\$67,698,334
2003	\$58,336,221	\$183,449	\$232,095	\$272,341	\$13,768,486	\$107,412	\$82	\$72,900,086
2004	\$65,157,108	\$185,219	\$219,262	\$275,466	\$14,291,843	\$117,536	\$85	\$80,246,519

TABLE D4. SHARE OF TAXABLE VALUE BY PROPERTY CLASS, CITY OF VANCOUVER PROPERTIES
WITHOUT THREE-YEAR LAND AVERAGING (\$000s)

YEAR	CLASS 1 RESIDENTIAL	CLASS 2 UTILITIES	CLASS 4 MAJOR INDUSTRY	CLASS 5 LIGHT INDUSTRY	CLASS 6 BUSINESS/ OTHER	CLASS 8 SEASONAL	CLASS 9 FARM	TOTAL
1984	66.9%	0.8%	1.8%	0.0%	30.3%	0.2%	0.0%	100.0%
1985	68.3%	1.0%	1.5%	0.0%	29.1%	0.1%	0.0%	100.0%
1986	68.3%	0.7%	1.4%	0.0%	29.4%	0.2%	0.0%	100.0%
1987	69.4%	0.5%	1.2%	0.0%	28.7%	0.2%	0.0%	100.0%
1988	69.6%	0.5%	0.6%	0.6%	28.5%	0.2%	0.0%	100.0%
1989	72.2%	0.8%	0.4%	0.4%	26.0%	0.2%	0.0%	100.0%
1990	72.1%	0.8%	0.4%	0.4%	26.1%	0.2%	0.0%	100.0%
1991	73.4%	0.6%	0.4%	0.3%	25.1%	0.2%	0.0%	100.0%
1992	73.5%	0.6%	0.4%	0.3%	25.1%	0.2%	0.0%	100.0%
1993	76.4%	0.4%	0.3%	0.2%	22.4%	0.2%	0.0%	100.0%
1994	79.3%	0.4%	0.3%	0.2%	19.5%	0.2%	0.0%	100.0%
1995	80.5%	0.4%	0.3%	0.2%	18.4%	0.2%	0.0%	100.0%
1996	80.6%	0.4%	0.3%	0.2%	18.4%	0.2%	0.0%	100.0%
1997	80.1%	0.3%	0.2%	0.3%	19.0%	0.2%	0.0%	100.0%
1998	79.6%	0.3%	0.3%	0.1%	19.5%	0.1%	0.0%	100.0%
1999	78.8%	0.3%	0.2%	0.2%	20.4%	0.1%	0.0%	100.0%
2000	78.5%	0.3%	0.2%	0.3%	20.4%	0.1%	0.0%	100.0%
2001	78.5%	0.3%	0.2%	0.4%	20.4%	0.1%	0.0%	100.0%
2002	78.7%	0.3%	0.3%	0.4%	20.2%	0.2%	0.0%	100.0%
2003	80.0%	0.3%	0.3%	0.4%	18.9%	0.1%	0.0%	100.0%
2004	81.2%	0.2%	0.3%	0.3%	17.8%	0.1%	0.0%	100.0%

TABLE D5. CITY OF VANCOUVER GENERAL PURPOSE TAX RATES
(DOES NOT INCLUDE TAX RATES OF OTHER TAXING AUTHORITIES)

YEAR	CLASS 1 RESIDENTIAL	CLASS 2 UTILITIES	CLASS 4 MAJOR INDUSTRY	CLASS 5 LIGHT INDUSTRY	CLASS 6 BUSINESS/ OTHER	CLASS 8 SEASONAL	CLASS 9 FARM
1984	\$5.207	\$18.166	\$18.180	-	\$13.641	\$5.143	\$4.467
1985	\$4.857	\$18.750	\$21.584	-	\$15.915	\$5.972	\$5.071
1986	\$5.101	\$20.361	\$23.663	-	\$16.727	\$6.212	\$6.594
1987	\$4.790	\$28.823	\$24.139	-	\$16.229	\$5.696	\$7.304
1988	\$5.177	\$22.790	\$27.126	\$27.126	\$17.596	\$6.073	\$7.899
1989	\$4.104	\$24.026	\$29.512	\$28.799	\$15.518	\$5.069	\$8.092
1990	\$4.210	\$24.470	\$30.164	\$26.571	\$17.315	\$4.983	\$10.177
1991	\$3.289	\$22.945	\$24.604	\$24.027	\$13.959	\$3.608	\$11.543
1992	\$3.337	\$23.151	\$25.723	\$25.536	\$15.621	\$3.110	\$3.110
1993	\$2.922	\$26.908	\$25.598	\$24.075	\$13.279	\$2.666	\$2.666
1994	\$2.869	\$27.134	\$30.098	\$25.203	\$15.233	\$2.621	\$2.621
1995	\$2.745	\$27.043	\$30.210	\$25.849	\$15.006	\$2.644	\$2.644
1996	\$2.661	\$27.555	\$30.814	\$25.998	\$14.558	\$2.595	\$2.595
1997	\$2.812	\$30.632	\$30.993	\$27.372	\$14.526	\$2.779	\$2.779
1998	\$2.697	\$29.383	\$28.897	\$27.841	\$14.507	\$2.720	\$2.720
1999	\$2.883	\$30.827	\$30.721	\$28.809	\$14.895	\$3.031	\$3.031
2000	\$2.995	\$29.921	\$30.540	\$14.941	\$14.874	\$3.109	\$3.109
2001	\$3.011	\$29.959	\$29.720	\$14.863	\$14.827	\$3.015	\$3.015
2002	\$3.117	\$31.257	\$28.134	\$15.451	\$15.483	\$3.098	\$3.098
2003	\$3.172	\$32.451	\$27.717	\$16.092	\$16.367	\$3.047	\$3.047
2004	\$3.062	\$32.995	\$28.585	\$16.020	\$16.755	\$2.879	\$2.879

TABLE D6. CITY OF VANCOUVER GENERAL PURPOSE TAX RATE RATIOS
(DOES NOT INCLUDE TAX RATES OF OTHER TAXING AUTHORITIES)

YEAR	CLASS 1 RESIDENTIAL	CLASS 2 UTILITIES	CLASS 4 MAJOR INDUSTRY	CLASS 5 LIGHT INDUSTRY	CLASS 6 BUSINESS/ OTHER	CLASS 8 SEASONAL	CLASS 9 FARM
1984	1.0	3.5	3.5	-	2.6	1.0	0.9
1985	1.0	3.9	4.4	-	3.3	1.2	1.0
1986	1.0	4.0	4.6	-	3.3	1.2	1.3
1987	1.0	6.0	5.0	-	3.4	1.2	1.5
1988	1.0	4.4	5.2	5.2	3.4	1.2	1.5
1989	1.0	5.9	7.2	7.0	3.8	1.2	2.0
1990	1.0	5.8	7.2	6.3	4.1	1.2	2.4
1991	1.0	7.0	7.5	7.3	4.2	1.1	3.5
1992	1.0	6.9	7.7	7.7	4.7	0.9	0.9
1993	1.0	9.2	8.8	8.2	4.5	0.9	0.9
1994	1.0	9.5	10.5	8.8	5.3	0.9	0.9
1995	1.0	9.9	11.0	9.4	5.5	1.0	1.0
1996	1.0	10.4	11.6	9.8	5.5	1.0	1.0
1997	1.0	10.9	11.0	9.7	5.2	1.0	1.0
1998	1.0	10.9	10.7	10.3	5.4	1.0	1.0
1999	1.0	10.7	10.7	10.0	5.2	1.1	1.1
2000	1.0	10.0	10.2	5.0	5.0	1.0	1.0
2001	1.0	10.0	9.9	4.9	4.9	1.0	1.0
2002	1.0	10.0	9.0	5.0	5.0	1.0	1.0
2003	1.0	10.2	8.7	5.1	5.2	1.0	1.0
2004	1.0	10.8	9.3	5.2	5.5	0.9	0.9

TABLE D7. CITY OF VANCOUVER NUMBER OF PROPERTIES IN EACH PROPERTY CLASS
(BASED ON BC ASSESSMENT AUTHORITY "OCCURENCES")

YEAR	CLASS 1 RESIDENTIAL	CLASS 2 UTILITIES	CLASS 4 MAJOR INDUSTRY	CLASS 5 LIGHT INDUSTRY	CLASS 6 BUSINESS/ OTHER	CLASS 8 SEASONAL	CLASS 9 FARM	TOTAL
1984	-	-	-	-	-	-	-	-
1985	-	-	-	-	-	-	-	-
1986	-	-	-	-	-	-	-	-
1987	-	-	-	-	-	-	-	-
1988	-	-	-	-	-	-	-	-
1989	-	-	-	-	-	-	-	-
1990	110,834	234	46	172	9,181	652	3	121,122
1991	112,585	245	43	159	9,142	655	3	122,832
1992	114,682	244	41	154	9,002	654	3	124,780
1993	116,469	254	41	139	9,033	651	3	126,590
1994	119,553	254	51	133	9,111	661	6	129,769
1995	124,400	241	51	131	9,449	669	5	134,946
1996	128,673	238	50	123	10,116	667	6	139,873
1997	131,190	224	51	125	10,726	681	10	143,007
1998	134,828	174	42	149	11,082	708	10	146,993
1999	138,581	173	41	146	11,647	729	10	151,327
2000	142,043	169	44	347	12,082	738	10	155,433
2001	144,116	176	44	398	13,074	735	10	158,553
2002	145,938	191	44	423	13,498	746	11	160,851
2003	147,584	189	36	426	13,581	865	10	162,691
2004	150,678	189	29	424	13,642	875	10	165,847

TABLE E1. TAX CAPPING & LAND AVERAGING POLICIES IN THE CITY OF VANCOUVER

	CLASS 1 RESIDENTIAL	CLASS 6 BUSINESS/OTHER
1989	<ul style="list-style-type: none"> ▪ Capped land value increases at 61% 	<ul style="list-style-type: none"> ▪ Capped tax increases at 40%
1990	<ul style="list-style-type: none"> ▪ No adjustment to taxation methodology 	<ul style="list-style-type: none"> ▪ Capped tax increases at 10.1%
1991	<ul style="list-style-type: none"> ▪ Capped tax increases at 5.5% ▪ No limit on tax credit 	<ul style="list-style-type: none"> ▪ Capped tax increases at 7.5% ▪ \$400,000 limit on tax credit
1992	<ul style="list-style-type: none"> ▪ Capped tax increases at 6.0% ▪ \$5,000 limit on tax credit 	<ul style="list-style-type: none"> ▪ Capped tax increases at 10.0% ▪ \$100,000 limit on tax credit
1993	<ul style="list-style-type: none"> ▪ Implemented three-year land value averaging ▪ Tax increases capped at 25% for select properties 	<ul style="list-style-type: none"> ▪ Implemented three-year land value averaging ▪ Tax increases capped at 25% for select properties
1994	<ul style="list-style-type: none"> ▪ Continued three year land value averaging ▪ Tax increases capped at 10% for select properties ▪ \$500 limit on tax credit 	<ul style="list-style-type: none"> ▪ Continued three year land value averaging ▪ Tax increases capped at 10% for select properties ▪ \$15,000 limit on tax credit
1995	<ul style="list-style-type: none"> ▪ Continued three year land value averaging ▪ No tax capping 	<ul style="list-style-type: none"> ▪ Continued three year land value averaging ▪ Tax increases capped at 15% for select properties under a phasing out methodology ▪ \$10,000 limit on tax credit
1996	<ul style="list-style-type: none"> ▪ Continued three year land value averaging ▪ No tax capping 	<ul style="list-style-type: none"> ▪ Continued three year land value averaging ▪ Tax increases capped at 20% for select properties under a phasing out methodology ▪ \$7,500 limit on tax credit
1997	<ul style="list-style-type: none"> ▪ Continued three year land value averaging ▪ No tax capping 	<ul style="list-style-type: none"> ▪ Continued three year land value averaging ▪ Tax increases capped at 25% for select properties under a phasing out methodology ▪ \$5,000 limit on tax credit ▪ Last year of tax increase capping
1998	<ul style="list-style-type: none"> ▪ Continued three year land value averaging ▪ Implementation of solid waste utility 	<ul style="list-style-type: none"> ▪ Continued three year land value averaging
1999-2004	<ul style="list-style-type: none"> ▪ Continued three year land value averaging 	<ul style="list-style-type: none"> ▪ Continued three year land value averaging

TABLE E2. COUNCIL-DIRECTED SHIFTS IN THE CITY OF VANCOUVER TAX DISTRIBUTION

1994	Shifted \$3.0 million from Class 6 to Class 1
1995	Shifted \$3.0 million from all non-residential classes to Class 1
1996	No shift
1997	Shifted \$2.9 million from all non-residential classes to Class 1
1998	No shift
1999	No shift
2000	Shifted \$3.7 million from all non-residential classes to Class 1
2001	No shift
2002	No shift
2003	Shifted \$2.0 million from all non-residential classes to Class 1
2004	No shift

**MUNICIPAL TAXATION IN BC
2004 ASSESSMENTS, TAX LEVIES, TAX RATES & TAX RATE RATIOS**

Municipality	Property Class	Authenticated Roll General Taxable Values	% Total Assess- -ment	Municipal Purposes Tax Rates	Tax Class Multiples	Total Municipal Variable Rate Taxes	% Total Taxes
Vancouver	Residential	65,157,107,695	81.2%	2.87890	1.00	187,580,797	43.3%
unaveraged	Utilities	185,218,622	0.2%	32.99550	11.46	6,111,381	1.4%
	Unmanaged Forest	0	0.0%	0.00000	0.00	-	0.0%
	Major Industry	219,262,400	0.3%	28.58470	9.93	6,267,550	1.4%
	Light Industry	275,465,600	0.3%	16.02040	5.56	4,413,069	1.0%
	Business	14,291,843,359	17.8%	16.02040	5.56	228,961,047	52.8%
	Managed Forest	0	0.0%	0.00000	0.00	-	0.0%
	Recreation	117,536,400	0.1%	2.87890	1.00	338,376	0.1%
	Farm	85,000	0.0%	2.87890	1.00	245	0.0%
	Totals	80,246,519,076	100.0%	0.00000	0.00	433,672,465	100.0%
Burnaby	Residential	17,778,918,150	79.1%	3.56570	1.00	63,394,289	46.9%
	Utilities	139,854,505	0.6%	40.00000	11.22	5,594,180	4.1%
	Unmanaged Forest	0	0.0%	0.00000	0.00	0	0.0%
	Major Industry	87,714,700	0.4%	58.29550	16.35	5,113,372	3.8%
	Light Industry	418,673,900	1.9%	13.70810	3.84	5,739,224	4.2%
	Business	4,033,349,812	17.9%	13.70810	3.84	55,289,564	40.9%
	Managed Forest	0	0.0%	0.00000	0.00	0	0.0%
	Recreation	28,556,100	0.1%	2.71030	0.76	77,396	0.1%
	Farm	1,425,300	0.0%	10.81290	3.03	15,412	0.0%
	Totals	22,488,492,467	100.0%	0.00000	0.00	135,223,437	100.0%
Richmond	Residential	16,138,320,787	76.9%	3.46533	1.00	55,924,605	50.4%
	Utilities	10,590,007	0.1%	40.00000	11.54	423,600	0.4%
	Unmanaged Forest	0	0.0%	0.00000	0.00	0	0.0%
	Major Industry	74,294,200	0.4%	11.19138	3.23	831,455	0.7%
	Light Industry	313,809,200	1.5%	14.08157	4.06	4,418,926	4.0%
	Business	4,332,143,955	20.6%	11.30386	3.26	48,969,948	44.2%
	Managed Forest	0	0.0%	0.00000	0.00	0	0.0%
	Recreation	91,887,000	0.4%	1.45044	0.42	133,277	0.1%
	Farm	25,720,739	0.1%	8.03856	2.32	206,758	0.2%
	Totals	20,986,765,888	100.0%	0.00000	0.00	110,908,569	100.0%
Coquitlam	Residential	10,615,918,403	87.2%	3.88330	1.00	41,224,797	57.1%
	Utilities	14,839,755	0.1%	48.32200	12.44	717,087	1.0%
	Unmanaged Forest	0	0.0%	15.53330	4.00	0	0.0%
	Major Industry	17,461,300	0.1%	54.83570	14.12	957,503	1.3%
	Light Industry	125,490,900	1.0%	19.80830	5.10	2,485,761	3.4%
	Business	1,373,728,800	11.3%	19.32880	4.98	26,552,530	36.8%
	Managed Forest	0	0.0%	11.65000	3.00	0	0.0%
	Recreation	21,084,100	0.2%	9.97240	2.57	210,259	0.3%

MUNICIPAL TAXATION IN BC
2004 ASSESSMENTS, TAX LEVIES, TAX RATES & TAX RATE RATIOS

Municipality	Property Class	Authenticated Roll General Taxable Values	% Total Assessment	Municipal Purposes Tax Rates	Tax Class Multiples	Total Municipal Variable Rate Taxes	% Total Taxes
	Farm	662,500	0.0%	13.51870	3.48	8,956	0.0%
	Totals	12,169,185,758	100.0%	0.00000	0.00	72,156,893	100.0%
Delta	Residential	8,812,106,500	79.6%	4.34460	1.00	38,285,080	53.4%
	Utilities	11,057,630	0.1%	40.00000	9.21	442,305	0.6%
	Unmanaged Forest	0	0.0%	0.00000	0.00	0	0.0%
	Major Industry	216,386,600	2.0%	27.99660	6.44	6,058,089	8.5%
	Light Industry	365,589,300	3.3%	14.39190	3.31	5,261,525	7.3%
	Business	1,594,020,609	14.4%	13.12520	3.02	20,921,840	29.2%
	Managed Forest	0	0.0%	0.00000	0.00	0	0.0%
	Recreation	32,053,000	0.3%	4.30730	0.99	138,062	0.2%
	Farm	43,829,100	0.4%	12.29830	2.83	539,023	0.8%
	Totals	11,075,042,739	100.0%	0.00000	0.00	71,645,924	100.0%
New Westminister	Residential	4,125,675,004	85.5%	5.33820	1.00	22,023,679	58.7%
	Utilities	10,149,445	0.2%	47.87810	8.97	485,936	1.3%
	Unmanaged Forest	0	0.0%	0.00000	0.00	0	0.0%
	Major Industry	75,296,500	1.6%	34.33720	6.43	2,585,471	6.9%
	Light Industry	58,518,000	1.2%	32.52440	6.09	1,903,263	5.1%
	Business	547,703,550	11.3%	19.15130	3.59	10,489,235	27.9%
	Managed Forest	0	0.0%	0.00000	0.00	0	0.0%
	Recreation	8,279,400	0.2%	5.33820	1.00	44,197	0.1%
	Farm	52,600	0.0%	5.33820	1.00	281	0.0%
	Totals	4,825,674,499	100.0%	0.00000	0.00	37,532,062	100.0%
North Vancouver City	Residential	4,586,621,413	78.6%	3.33422	1.00	15,292,805	45.9%
	Utilities	7,613,265	0.1%	40.00000	12.00	304,531	0.9%
	Unmanaged Forest	0	0.0%	0.00000	0.00	0	0.0%
	Major Industry	140,494,000	2.4%	35.50688	10.65	4,988,504	15.0%
	Light Industry	25,088,900	0.4%	22.75228	6.82	570,830	1.7%
	Business	1,070,506,900	18.4%	11.32740	3.40	12,126,060	36.4%
	Managed Forest	0	0.0%	0.00000	0.00	0	0.0%
	Recreation	2,491,800	0.0%	4.89178	1.47	12,189	0.0%
	Farm	0	0.0%	0.00000	0.00	0	0.0%
	Totals	5,832,816,278	100.0%	0.00000	0.00	33,294,919	100.0%
North Vancouver District	Residential	11,704,516,288	92.6%	3.30353	1.00	38,666,220	71.8%
	Utilities	4,240,147	0.0%	40.00000	12.11	169,606	0.3%
	Unmanaged Forest	0	0.0%	0.00000	0.00	0	0.0%
	Major Industry	107,184,200	0.8%	42.65235	12.91	4,571,658	8.5%
	Light Industry	46,693,500	0.4%	22.53664	6.82	1,052,315	2.0%
	Business	759,806,508	6.0%	12.15767	3.68	9,237,477	17.2%

**MUNICIPAL TAXATION IN BC
2004 ASSESSMENTS, TAX LEVIES, TAX RATES & TAX RATE RATIOS**

Municipality	Property Class	Authenticated Roll General Taxable Values	% Total Assessment	Municipal Purposes Tax Rates	Tax Class Multiples	Total Municipal Variable Rate Taxes	% Total Taxes
	Managed Forest	0	0.0%	0.00000	0.00	0	0.0%
	Recreation	21,966,800	0.2%	6.62545	2.01	145,540	0.3%
	Farm	0	0.0%	0.00000	0.00	0	0.0%
	Totals	12,644,407,443	100.0%	0.00000	0.00	53,842,816	100.0%
Port Coquitlam	Residential	4,102,624,265	84.8%	4.61810	1.00	18,946,330	61.3%
	Utilities	6,867,590	0.1%	45.19830	9.79	310,403	1.0%
	Unmanaged Forest	0	0.0%	45.19830	9.79	0	0.0%
	Major Industry	0	0.0%	21.56430	4.67	0	0.0%
	Light Industry	132,838,000	2.7%	21.56430	4.67	2,864,559	9.3%
	Business	590,555,400	12.2%	14.77070	3.20	8,722,917	28.2%
	Managed Forest	0	0.0%	45.19830	9.79	0	0.0%
	Recreation	5,534,200	0.1%	10.32770	2.24	57,156	0.2%
	Farm	945,348	0.0%	16.37970	3.55	15,485	0.1%
	Totals	4,839,364,803	100.0%	0.00000	0.00	30,916,850	100.0%
Port Moody	Residential	2,436,500,195	90.0%	4.20980	1.00	10,257,178	60.0%
	Utilities	2,924,165	0.1%	37.61390	8.93	109,989	0.6%
	Unmanaged Forest	0	0.0%	0.00000	0.00	0	0.0%
	Major Industry	72,325,200	2.7%	53.19390	12.64	3,847,260	22.5%
	Light Industry	15,219,800	0.6%	27.96610	6.64	425,638	2.5%
	Business	178,699,653	6.6%	13.55010	3.22	2,421,398	14.2%
	Managed Forest	0	0.0%	0.00000	0.00	0	0.0%
	Recreation	2,908,700	0.1%	7.65030	1.82	22,252	0.1%
	Farm	0	0.0%	0.00000	0.00	0	0.0%
	Totals	2,708,577,713	100.0%	0.00000	0.00	17,083,715	100.0%
Langley City	Residential	1,536,072,100	73.3%	5.20000	1.00	7,987,575	54.1%
	Utilities	2,010,650	0.1%	39.99990	7.69	80,426	0.5%
	Unmanaged Forest	0	0.0%	12.02000	2.31	0	0.0%
	Major Industry	0	0.0%	12.02000	2.31	0	0.0%
	Light Industry	53,858,200	2.6%	12.02000	2.31	647,376	4.4%
	Business	497,257,000	23.7%	12.02000	2.31	5,977,029	40.5%
	Managed Forest	0	0.0%	12.02000	2.31	0	0.0%
	Recreation	6,170,700	0.3%	12.02000	2.31	74,172	0.5%
	Farm	18,000	0.0%	5.20000	1.00	94	0.0%
	Totals	2,095,386,650	100.0%	0.00000	0.00	14,766,672	100.0%
Langley District	Residential	8,310,113,101	84.1%	3.93166	1.00	32,672,539	62.9%
	Utilities	16,753,975	0.2%	39.98028	10.17	669,829	1.3%
	Unmanaged Forest	0	0.0%	15.72664	4.00	0	0.0%
	Major Industry	5,482,900	0.1%	14.02698	3.57	76,909	0.1%

MUNICIPAL TAXATION IN BC
2004 ASSESSMENTS, TAX LEVIES, TAX RATES & TAX RATE RATIOS

Municipality	Property Class	Authenticated Roll General Taxable Values	% Total Assess- -ment	Municipal Purposes Tax Rates	Tax Class Multiples	Total Municipal Variable Rate Taxes	% Total Taxes
	Light Industry	224,987,400	2.3%	14.67783	3.73	3,302,327	6.4%
	Business	1,213,830,251	12.3%	12.02703	3.06	14,598,773	28.1%
	Managed Forest	0	0.0%	11.79543	3.00	0	0.0%
	Recreation	42,939,100	0.4%	4.02154	1.02	172,681	0.3%
	Farm	64,368,200	0.7%	7.56021	1.92	486,637	0.9%
	Totals	9,878,474,927	100.0%	0.00000	0.00	51,979,695	100.0%
Surrey	Residential	28,679,223,681	87.3%	3.31897	1.00	95,185,482	69.6%
	Utilities	27,877,235	0.1%	34.66461	10.44	966,354	0.7%
	Unmanaged Forest	0	0.0%	0.00000	0.00	0	0.0%
	Major Industry	65,676,100	0.2%	15.72960	4.74	1,033,059	0.8%
	Light Industry	496,467,200	1.5%	9.87094	2.97	4,900,598	3.6%
	Business	3,474,132,569	10.6%	9.87094	2.97	34,292,955	25.1%
	Managed Forest	0	0.0%	0.00000	0.00	0	0.0%
	Recreation	71,022,700	0.2%	3.31897	1.00	235,722	0.2%
	Farm	36,773,325	0.1%	3.31897	1.00	122,050	0.1%
	Totals	32,851,172,810	100.0%	0.00000	0.00	136,736,220	100.0%
West	Residential	11,603,615,511	95.4%	3.24790	1.00	37,687,383	91.2%
Vancouver	Utilities	5,178,900	0.0%	14.75270	4.54	76,403	0.2%
	Unmanaged Forest	0	0.0%	0.00000	0.00	0	0.0%
	Major Industry	0	0.0%	11.35140	3.49	0	0.0%
	Light Industry	0	0.0%	11.35140	3.49	0	0.0%
	Business	523,323,584	4.3%	6.47110	1.99	3,386,479	8.2%
	Managed Forest	0	0.0%	0.00000	0.00	0	0.0%
	Recreation	28,077,100	0.2%	5.57870	1.72	156,634	0.4%
	Farm	0	0.0%	0.00000	0.00	0	0.0%
	Totals	12,160,195,095	100.0%	0.00000	0.00	41,306,899	100.0%
Abbotsford	Residential	7,404,480,102	82.7%	5.41405	1.00	40,088,226	62.9%
	Utilities	51,199,308	0.6%	39.99970	7.39	2,047,957	3.2%
	Unmanaged Forest	0	0.0%	0.00000	0.00	0	0.0%
	Major Industry	0	0.0%	0.00000	0.00	0	0.0%
	Light Industry	142,419,400	1.6%	15.24630	2.82	2,171,369	3.4%
	Business	1,208,116,150	13.5%	14.60992	2.70	17,650,480	27.7%
	Managed Forest	0	0.0%	0.00000	0.00	0	0.0%
	Recreation	11,190,400	0.1%	6.21881	1.15	69,591	0.1%
	Farm	135,460,481	1.5%	12.61072	2.33	1,708,254	2.7%
	Totals	8,952,865,841	100.0%	0.00000	0.00	63,735,877	100.0%
Chilliwack	Residential	3,950,124,363	84.9%	5.80430	1.00	22,927,706	70.1%
	Utilities	40,417,577	0.9%	40.62134	7.00	1,641,816	5.0%

**MUNICIPAL TAXATION IN BC
2004 ASSESSMENTS, TAX LEVIES, TAX RATES & TAX RATE RATIOS**

Municipality	Property Class	Authenticated Roll General Taxable Values	% Total Assess- ment	Municipal Purposes Tax Rates	Tax Class Multiples	Total Municipal Variable Rate Taxes	% Total Taxes
	Unmanaged Forest	0	0.0%	0.00000	0.00	0	0.0%
	Major Industry	0	0.0%	0.00000	0.00	0	0.0%
	Light Industry	66,582,100	1.4%	11.02817	1.90	734,279	2.2%
	Business	490,910,979	10.5%	13.05969	2.25	6,411,145	19.6%
	Managed Forest	296,400	0.0%	19.73463	3.40	5,849	0.0%
	Recreation	26,271,400	0.6%	2.61193	0.45	68,619	0.2%
	Farm	79,556,824	1.7%	11.60861	2.00	923,544	2.8%
	Totals	4,654,159,643	100.0%	0.00000	0.00	32,712,958	100.0%

Kamloops	Residential	4,013,898,192	80.1%	8.83000	1.00	35,442,721	58.2%
	Utilities	47,513,913	0.9%	49.19000	5.57	2,337,209	3.8%
	Unmanaged Forest	0	0.0%	35.32000	4.00	0	0.0%
	Major Industry	73,391,200	1.5%	74.64000	8.45	5,477,919	9.0%
	Light Industry	31,640,000	0.6%	30.83000	3.49	975,461	1.6%
	Business	826,289,980	16.5%	19.95000	2.26	16,484,486	27.1%
	Managed Forest	0	0.0%	35.32000	4.00	0	0.0%
	Recreation	12,177,200	0.2%	9.57000	1.08	116,536	0.2%
	Farm	5,135,753	0.1%	10.28000	1.16	52,796	0.1%
	Totals	5,010,046,238	100.0%	0.00000	0.00	60,887,128	100.0%

Kelowna	Residential	8,033,770,714	82.3%	5.63640	1.00	45,281,547	68.2%
	Utilities	10,400,519	0.1%	24.78230	4.40	257,749	0.4%
	Unmanaged Forest	0	0.0%	0.00000	0.00	0	0.0%
	Major Industry	16,216,800	0.2%	19.10080	3.39	309,754	0.5%
	Light Industry	84,445,400	0.9%	12.41430	2.20	1,048,331	1.6%
	Business	1,554,149,334	15.9%	12.41430	2.20	19,293,676	29.0%
	Managed Forest	0	0.0%	0.00000	0.00	0	0.0%
	Recreation	38,971,200	0.4%	5.63640	1.00	219,657	0.3%
	Farm	22,327,296	0.2%	0.50000	0.09	11,164	0.0%
	Totals	9,760,281,263	100.0%	0.00000	0.00	66,421,878	100.0%

Mission	Residential	2,259,317,384	90.3%	5.77540	1.00	13,048,462	75.3%
	Utilities	4,753,185	0.2%	47.22480	8.18	224,468	1.3%
	Unmanaged Forest	0	0.0%	47.22480	8.18	0	0.0%
	Major Industry	0	0.0%	17.98810	3.11	0	0.0%
	Light Industry	31,853,500	1.3%	17.98810	3.11	572,984	3.3%
	Business	194,389,176	7.8%	17.05500	2.95	3,315,307	19.1%
	Managed Forest	28,500	0.0%	8.65810	1.50	247	0.0%
	Recreation	9,318,800	0.4%	11.41900	1.98	106,411	0.6%
	Farm	3,150,700	0.1%	15.87830	2.75	50,028	0.3%
	Totals	2,502,811,245	100.0%	0.00000	0.00	17,317,907	100.0%

**MUNICIPAL TAXATION IN BC
2004 ASSESSMENTS, TAX LEVIES, TAX RATES & TAX RATE RATIOS**

Municipality	Property Class	Authenticated Roll General Taxable Values	% Total Assess- -ment	Municipal Purposes Tax Rates	Tax Class Multiples	Total Municipal Variable Rate Taxes	% Total Taxes
Prince George	Residential	2,638,872,146	72.2%	10.89764	1.00	28,757,479	54.7%
	Utilities	15,025,485	0.4%	44.13544	4.05	663,156	1.3%
	Unmanaged Forest	0	0.0%	10.89764	1.00	0	0.0%
	Major Industry	215,825,700	5.9%	42.93670	3.94	9,266,843	17.6%
	Light Industry	41,336,600	1.1%	19.61575	1.80	810,848	1.5%
	Business	737,907,293	20.2%	17.65418	1.62	13,027,149	24.8%
	Managed Forest	0	0.0%	10.89764	1.00	0	0.0%
	Recreation	2,514,800	0.1%	10.89764	1.00	27,405	0.1%
	Farm	980,800	0.0%	3.81417	0.35	3,741	0.0%
	Totals		3,652,462,824	100.0%	0.00000	0.00	52,556,621

Squamish	Residential	1,389,319,700	84.5%	4.09396	1.00	5,687,819	47.5%
	Utilities	20,040,300	1.2%	40.00000	9.77	801,612	6.7%
	Unmanaged Forest	0	0.0%	87.31104	21.33	0	0.0%
	Major Industry	56,282,100	3.4%	55.11144	13.46	3,101,788	25.9%
	Light Industry	12,763,500	0.8%	19.70497	4.81	251,504	2.1%
	Business	160,391,575	9.8%	12.71570	3.11	2,039,491	17.0%
	Managed Forest	727,000	0.0%	87.31104	21.33	63,475	0.5%
	Recreation	4,587,000	0.3%	7.68701	1.88	35,260	0.3%
	Farm	25,400	0.0%	76.00737	18.57	1,931	0.0%
	Totals		1,644,136,575	100.0%	0.00000	0.00	11,982,880

Victoria	Residential	6,367,627,312	72.0%	5.03800	1.00	32,080,107	46.7%
	Utilities	15,172,135	0.2%	28.62510	5.68	434,304	0.6%
	Unmanaged Forest	0	0.0%	0.00000	0.00	0	0.0%
	Major Industry	0	0.0%	0.00000	0.00	0	0.0%
	Light Industry	25,402,300	0.3%	17.93540	3.56	455,600	0.7%
	Business	2,416,495,545	27.3%	14.69740	2.92	35,516,202	51.7%
	Managed Forest	0	0.0%	0.00000	0.00	0	0.0%
	Recreation	15,769,600	0.2%	9.25130	1.84	145,889	0.2%
	Farm	0	0.0%	0.00000	0.00	0	0.0%
	Totals		8,840,466,892	100.0%	0.00000	0.00	68,632,102