



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Date: April 28, 2005
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Meeting Date: May 10, 2005

TO: Vancouver City Council

FROM: General Manager of Corporate Services / Director of Finance

SUBJECT: 2005 Property Taxation: Taxation Bylaws and Resolutions

RECOMMENDATION

- A. *THAT Council approve the 2005 Rating Bylaw establishing the City's general purposes property tax rates.*
- B. *THAT Council approve the 2005 Rating Bylaw for the property tax requisition of the Greater Vancouver Regional District.*
- C. *THAT Council approve the resolutions attached as Appendices B through E, adopting adjusted tax rates for the Provincial Schools, the B.C. Assessment Authority, the Municipal Finance Authority and the Greater Vancouver Transportation Authority levies, pursuant to the Vancouver Charter and the Averaging Bylaw No. 9017 adopted by Council on March 31, 2005.*

COUNCIL POLICY

The Vancouver Charter requires that Council adopt the final operating budget as submitted by the Director of Finance as a formal resolution. That approval was given by Council on March 31, 2005.

The Vancouver Charter also requires that Council adopt an annual rating bylaw establishing general purposes property tax rates for each class of property in the City and the amount to be raised as the City's general purposes levy for the year.

Legislation governing the Greater Vancouver Regional District requires that Council approve a rating bylaw establishing the tax rate for each class of property in the City to raise the requisition of the district in the current tax year.

On March 31, 2005, Council approved the averaging of taxable land values for Class 1 (Residential) and Class 6 (Business and Other) properties for the 2005 tax year. Under the authority of the Vancouver Charter, Council must extend averaging to the calculation of taxes levied by other taxing authorities through resolutions which alter the tax rates of those authorities to make the impact of land value averaging revenue neutral. This is done by approving a resolution to vary the applicable tax rates established by those taxing authorities.

PURPOSE

The purpose of this report is to:

- summarize the property tax levies of the various organizations that tax property in the City; and
- recommend adoption of the City's annual rating bylaw, adoption of a rating bylaw for the Greater Vancouver Regional District and a series of resolutions to give effect to the assessment averaging program approved by Council on March 31, 2005.

Appendix A provides an overall summary of the tax rates and tax levies of these taxing authorities.

BACKGROUND

On March 31, 2005, through passage of Bylaw 9017, Council approved a program of averaging the assessed value of land for Class 1 (Residential) and Class 6 (Business and Other) over three years for the purpose of calculating 2005 property taxes.

On March 31, 2005, Council approved a resolution adopting the revenue and expenditure estimates of the City for the 2004 budget year. This budget, totalling \$773,095,000, provides for all of the revenues and expenditures of the City for 2005 and is based on a general purposes tax increase of 2.99%.

On April 28, 2005, Council approved a recommendation that the City retain its current policy with respect to management of the property tax levy, being the assignment of a fixed share of the levy to the individual classes of property.

2005 GENERAL PURPOSE TAX LEVY

To balance the 2005 Operating Budget approved by Council, the general purposes tax levy is set at \$453,868,100. The tax rates necessary to raise this amount, incorporating the 2005 Land Assessment Averaging Program are shown below.

Class	Tax Rate	2005 Levy	2004 Levy
Residential	2.78956	197,576,788	\$187,581,448
Utilities	33.46482	6,274,428	6,111,374
Light Industry	28.31661	5,887,273	6,267,545
Heavy Industry	15.52713	4,749,713	4,413,066
Business	16.44104	239,095,119	228,960,929
Seasonal /Recreational	2.52391	284,538	338,377
Farm	2.52391	241	245
Total		\$453,868,100	\$433,672,984
Increase			4.6%

Of this change, \$7.0 million (1.6%) arose from supplementary roll adjustments and the addition of new value to the roll, and \$13.2 million (3.0%) arose from the 2.99% increase in general purposes taxes approved by Council as part of the 2005 Operating Budget process.

Before Council this day is a bylaw, *2005 Rating Bylaw: General Purposes Taxes* that will give effect to these tax rates.

OTHER TAXING AUTHORITIES

The following summarizes the property tax levies of the other taxing authorities whose levies appear on the City's tax bill.

1. Provincial School Levy

The Provincial Government levies all school taxes in the province. The tax rates submitted by the Surveyor of Taxes generate the following 2005 tax levy, with 2004 comparisons:

Class	Tax Rate	2005 Levy	2004 Levy
Residential	2.47345	175,095,754	\$163,238,055
Utilities	14.90000	7,505,467	6,930,539
Light Industry	12.50000	2,598,860	2,192,945
Heavy Industry	9.60000	2,936,618	2,696,176
Business	10.16357	148,395,445	136,854,240
Seasonal /Recreational	4.50000	503,566	478,678
Farm	6.80000	324	279
Total		\$337,036,034	\$312,390,912
Increase			7.8%

2. Greater Vancouver Regional District (GVRD) Requisition

The GVRD requisition to the City is \$10,995,904 representing an increase of \$277,904 or 2.6% from the 2004 level. A bylaw establishing tax rates for this levy is before Council this day.

3. Municipal Finance Authority Levy

The Municipal Finance Authority has set tax rates that generate a tax levy of \$25,448, an increase of \$4,048 or 18.0% from the 2004 level.

4. BC Assessment Authority Levy

The BC Assessment Authority has set tax rates that generate a tax levy of \$11,973,060, an increase of \$487,960 or 4.2% from the 2004 level.

5. Greater Vancouver Transportation Authority (TransLink) Levy

The Greater Vancouver Transportation Authority has set tax rates that generate a property tax levy of \$72,268,870, an increase of \$29,120,470 or 67.5% from the 2004 level. This increase reflects funding for the three year financial plan approved by the Translink Board.

AVERAGING RESOLUTIONS

Approval of the land assessment averaging program in 2005 requires that the tax rates submitted by these other taxing authorities for Class 1 (Residential) and Class 6 (Business and Other) be varied. Council approval of the attached resolutions (Appendices B to E) will complete this requirement.

CONCLUSION

Approval of the averaging resolutions and rating bylaws submitted to Council this day will complete the process of developing property tax rates and will allow the billing to proceed. Taxpayers can expect tax bills to arrive during the first week of June. Property taxes are due by Tuesday July 5, 2004. Taxpayers have several options for paying their tax bill:

At any chartered bank and most trust companies and credit unions,
Through electronic banking arrangements with most financial institutions,
By dropping a cheque in the mail slot or drop box at City Hall,
In person at City Hall during regular business hours,
By post mail.

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RESOLUTION

MOVED BY COUNCILLOR:

SECONDED BY COUNCILLOR:

THAT WHEREAS pursuant to Section 119(3) of the *School Act*, the Surveyor of Taxes for the Province of British Columbia in each year levies a tax on the net taxable value of all land and improvements in the City of Vancouver;

AND WHEREAS on April 15, 2005 by Orders-in-Council No. 431 and No. 432, the Lieutenant-Governor in Council levied the following tax rates on Class 1 - Residential and Class 6 - business and other:

Class 1 - residential	2.2379
Class 6 - business and other	9.6000

being dollars of tax for each one thousand dollars of taxable value, for the 2005 taxation year, which when applied to the net taxable value of all land and improvements in the respective Classes in the City of Vancouver would raise the following sums:

Class 1 - residential	\$ 175,095,754
Class 6 - business and other	\$ 148,395,445

AND WHEREAS on March 31, 2005, pursuant to provisions of the *Vancouver Charter*, Council approved Bylaw 9017 which authorized adjustment of the net taxable value of land in Class 1 - residential and Class 6 - business and other, within the City of Vancouver;

AND WHEREAS the net taxable value and the adjusted taxable value pursuant to the Council by-law of March 31, 2005, of land in the above-noted Classes subject to taxation under the *School Act* for the year 2005 are as follows:

	<u>Net Taxable Value</u>	<u>Adjusted Taxable Value</u>
Class 1 - residential	\$ 78,241,098,469	\$ 70,790,207,696
Class 6 - business & other	15,457,858,829	14,600,721,574

AND WHEREAS Council is obliged to vary the rate set by the Lieutenant-Governor in Council in order to produce the same amount of revenue that would have been raised if the net taxable value of the specified land had not been adjusted;

NOW THEREFORE BE IT RESOLVED THAT, in the case of Class 1 - residential, the rate of 2.47345 is hereby substituted for the rate of 2.2379; and in the case of Class 6 - business and other, the rate of 10.16357 is substituted for the rate of 9.6000 for taxation pursuant to the *School Act* within the City of Vancouver for the 2005 taxation year.

RESOLUTION

MOVED BY COUNCILLOR:

SECONDED BY COUNCILLOR:

THAT WHEREAS pursuant to Section 17(2) of the *Assessment Authority Act*, the British Columbia Assessment Authority in each year levies a tax on the net taxable value of all land and improvements in the City of Vancouver (excluding property that is taxable for school purposes only by special act);

AND WHEREAS on March 1, 2005, the Authority, levied the following tax rates on Class 1 - residential and Class 6 - business and other:

Class 1 - residential	0.0920
Class 6 - business and other	0.2860

being dollars of tax for each one thousand dollars of taxable value, for the 2005 taxation year, which when applied to the net taxable value of all land and improvements in the respective Classes in the City of Vancouver (excluding property taxable for school purposes only by special act) would raise the following sums:

Class 1 - residential	\$ 7,198,117
Class 6 - business and other	\$ 4,403,983

AND WHEREAS on March 31, 2005, pursuant to provisions of the *Vancouver Charter*, Council approved Bylaw 9017 which authorized adjustment of the net taxable value of land in Class 1 - residential and Class 6 - business and other, within the City of Vancouver;

AND WHEREAS the net taxable value and the adjusted taxable value pursuant to the Council by-law of March 31, 2005, of land in the above-noted Classes subject to taxation under the *British Columbia Assessment Authority Act* for the year 2005 are as follows:

	<u>Net Taxable Value</u>	<u>Adjusted Taxable Value</u>
Class 1 - residential	\$ 78,240,396,969	\$ 70,789,506,196
Class 6 - business & other	15,398,543,129	14,542,574,542

AND WHEREAS Council is obliged to vary the rate set by the British Columbia Assessment Authority in order to produce the same amount of revenue that would have been raised if the net taxable value of the specified land had not been adjusted;

NOW THEREFORE BE IT RESOLVED THAT, in the case of Class 1 - residential, the rate of 0.10168 is hereby substituted for the rate of 0.0920; and in the case of Class 6 - business and other, the rate of 0.30283 is substituted for the rate of 0.2860 for taxation pursuant to the *Assessment Authority* within the City of Vancouver for the 2005 taxation year.

RESOLUTION

MOVED BY COUNCILLOR:

SECONDED BY COUNCILLOR:

THAT WHEREAS pursuant to Section 17 and 18 of the *Municipal Finance Authority Act*, the Municipal Finance Authority of BC in each year levies a tax on the net taxable value of all land and improvements in the City of Vancouver (excluding property that is taxable for school purposes only by special act);

AND WHEREAS on March 24, 2005, the Authority, with the approval of the Lieutenant-Governor in Council, levied the following tax rates on Class 1 - residential and Class 6 - business and other:

Class 1 - residential	0.00030
Class 6 - business and other	0.00010

being dollars of tax for each one thousand dollars of taxable value, for the 2005 taxation year, which when applied to the net taxable value of all land and improvements in the respective Classes in the City of Vancouver (excluding property taxable for school purposes only by special act) would raise the following sums:

Class 1 - residential	\$ 23,472
Class 6 - business and other	\$ 1,540

AND WHEREAS on March 31, 2005, pursuant to provisions of the *Vancouver Charter*, Council approved Bylaw 9017 which authorized adjustment of the net taxable value of land in Class 1 - residential and Class 6 - business and other, within the City of Vancouver;

AND WHEREAS the net taxable value and the adjusted taxable value pursuant to the Council by-law of March 31, 2005, of land in the above-noted Classes subject to taxation under the *Municipal Finance Authority Act* for the year 2005 are as follows:

	<u>Net Taxable Value</u>	<u>Adjusted Taxable Value</u>
Class 1 - residential	\$ 78,240,396,969	\$ 70,789,506,196
Class 6 - business & other	15,398,543,129	14,542,574,542

AND WHEREAS Council is obliged to vary the rate set by the Municipal Finance Authority in order to produce the same amount of revenue that would have been raised if the net taxable value of the specified land had not been adjusted;

NOW THEREFORE BE IT RESOLVED THAT, in the case of Class 1 - residential, the rate of 0.00033 is hereby substituted for the rate of 0.00030; and in the case of Class 6 - business and other, the rate of 0.00011 is substituted for the rate of 0.00010 for taxation pursuant to the *Municipal Finance Authority Act* within the City of Vancouver for the 2005 taxation year.

RESOLUTION

MOVED BY COUNCILLOR:

SECONDED BY COUNCILLOR:

THAT WHEREAS pursuant to Section 25(9) of the *Greater Vancouver Transportation Act*, the Greater Vancouver Transportation Authority in each year levies a tax on the net taxable value of all land and improvements in the City of Vancouver (excluding property that is taxable for school purposes only by special act);

AND WHEREAS, on December 10, 2003, the Authority levied the following tax rates on Class 1 - residential and Class 6 - business and other:

Class 1 - residential	0.47380
Class 6 - business and other	2.12230

being dollars of tax for each one thousand dollars of taxable value, for the 2005 taxation year, which when applied to the net taxable value of all land and improvements in the respective classes in the City of Vancouver (excluding property taxable for school purposes only by special act) would raise the following sums:

Class 1 - residential	\$ 37,070,300
Class 6 - business and other	\$ 32,680,328

AND WHEREAS on March 31, 2005, pursuant to provisions of the *Vancouver Charter*, Council approved Bylaw 9017 which authorized adjustment of the net taxable value of land in Class 1 - residential and Class 6 - business and other, within the City of Vancouver;

AND WHEREAS the net taxable value and the adjusted taxable value pursuant to the Council by-law of March 31, 2005, of land in the above-noted Classes subject to taxation under the *Greater Vancouver Transportation Act* for the year 2005 are as follows:

	<u>Net Taxable Value</u>	<u>Adjusted Taxable Value</u>
Class 1 - residential	\$ 78,240,396,969	\$ 70,789,506,196
Class 6 - business & other	15,398,543,129	14,542,574,542

AND WHEREAS Council is obliged to vary the rate set by the Greater Vancouver Transportation Authority in order to produce the same amount of revenue that would have been raised if the net taxable value of the specified land had not been adjusted;

NOW THEREFORE BE IT RESOLVED THAT, in the case of Class 1 - residential, the rate of 0.52367 is hereby substituted for the rate of 0.47380; and in the case of Class 6 - business and other, the rate of 2.24722 is substituted for the rate of 2.12230 for taxation pursuant to the *Greater Vancouver Transportation Act* within the City of Vancouver for the 2005 taxation year.

City of Vancouver

2005 PROPERTY TAX RATES (per \$1000 taxable value)

Including: averaging of Class 1/6 land assessments.

Levy per	Residential Class 1	Utilities Class 2	Major Industry Class 4	Light Industry Class 5	Business Class 6	Seasonal Class 8	Farm Class 9
General	2.78956	33.46482	28.31661	15.52713	16.44104	2.52391	2.52391
Provincial School: Residential	2.47345						
Provincial School: Non-Residential		14.90000	12.50000	9.60000	10.16357	4.50000	6.80000
TransLink	0.52367	3.03250	2.94750	2.94750	2.24722	0.47380	0.47380
BC Assessment Authority	0.10168	0.52390	0.52390	0.28600	0.30283	0.09200	0.09200
Municipal Finance Authority	0.00033	0.00050	0.00050	0.00050	0.00011	0.00020	0.00020
Greater Vancouver Regional District	0.10053	0.35187	0.34182	0.34182	0.24633	0.10053	0.10053
TOTAL	5.98922	52.27359	44.63033	28.70295	29.40110	7.69044	9.99044
Tax Rate Change from 2003	-5.47%	1.98%	0.81%	-0.55%	0.01%	-2.28%	-1.76%

2005 PROPERTY TAX REVENUE BY LEVY

Levy	Residential Class 1	Utilities Class 2	Major Industry Class 4	Light Industry Class 5	Business Class 6	Seasonal Class 8	Farm Class 9	TOTAL
General	197,576,886	6,274,429	5,887,272	4,749,713	239,095,050	284,538	241	453,868,100
Provincial School: Residential	175,096,039	-	-	-	-	-	-	175,096,000
Provincial School: Non-Residential	-	7,505,467	2,598,860	2,936,618	148,395,456	503,566	324	161,940,300
TransLink	37,070,341	950,926	612,811	901,633	32,680,364	52,848	23	72,268,900
BC Assessment Authority	7,197,877	164,284	108,923	87,487	4,403,928	10,262	4	11,972,800
Municipal Finance Authority	23,361	157	104	153	1,600	22	0	25,400
Greater Vancouver Regional District	7,116,469	110,339	71,067	104,562	3,582,272	11,213	5	10,995,900
TOTAL	424,080,972	15,005,601	9,279,038	8,780,166	428,158,670	862,450	596	886,167,400
Percent of Total Levy	43.5%	1.4%	1.3%	1.0%	52.7%	0.1%	0.0%	100.0%