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CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Date: May 5, 2006
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Meeting Date: May 16, 2006

TO: Vancouver City Council

FROM: General Manager of Corporate Services / Director of Finance

SUBJECT: 2006 Property Taxation: Taxation Bylaws and Resolutions

RECOMMENDATION

- A. *THAT Council approve the 2006 Rating Bylaw establishing the City's general purposes property tax rates.*
- B. *THAT Council approve the 2006 Rating Bylaw for the property tax requisition of the Greater Vancouver Regional District.*
- C. *THAT Council approve the resolutions attached as Appendix B, 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. 9266 adopted by Council on March 23, 2006.*

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 April 20, 2006.

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 23, 2006, Council approved the averaging of taxable land values for Class 1 (Residential) and Class 6 (Business and Other) properties for the 2006 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 23, 2006.

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

BACKGROUND

On March 23, 2006, through passage of Bylaw 9266, 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 2006 property taxes.

On April 20, 2006, Council approved a resolution adopting the revenue and expenditure estimates of the City for the 2006 budget year. This budget, totalling \$813,330,000, provides for all of the revenues and expenditures of the City for 2006 and is based on a general purposes tax increase of 4.04%.

On April 20, 2006, Council approved a recommendation that the 2006 general purposes property tax rates be calculated based on a shift of 1% of the levy from the non-residential classes to the residential classes.

2006 GENERAL PURPOSE TAX LEVY

To balance the 2006 Operating Budget approved by Council, the general purposes tax levy is set at \$477,348,131. The tax rates necessary to raise this amount, incorporating the 2006 Land Assessment Averaging Program are shown below.

Class	Tax Rate	2006 Levy	2005 Levy
Residential	2.66174	214,239,164	197,576,886
Utilities	35.32982	6,295,619	6,274,429
Light Industry	28.46539	5,542,339	5,887,272
Heavy Industry	14.28709	4,528,886	4,749,713
Business	15.48272	246,450,733	239,095,050
Seasonal /Recreational	2.38798	291,164	284,538
Farm	2.38798	226	241
Total		\$477,348,131	\$453,868,128
Increase			5.2%

Of this change, \$4.9 million (1.2%) arose from supplementary roll adjustments and the addition of new value to the roll, and \$18.5 million (4.0%) arose from the 4.04% increase in general purposes taxes approved by Council as part of the 2006 Operating Budget process.

Before Council this day is a bylaw, *2006 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 2006 tax levy, with 2005 comparisons:

Class	Tax Rate	2006 Levy	2005 Levy
Residential	2.26854	182,495,524	\$175,095,754
Utilities	14.90000	7,189,166	7,505,467
Light Industry	12.50000	2,433,806	2,598,860
Heavy Industry	9.20000	2,916,322	2,936,618
Business	9.96944	159,342,730	148,395,445
Seasonal /Recreational	4.20000	507,128	503,566
Farm	6.80000	321	324
Total		354,884,997	\$337,036,035
Increase			5.3%

2. Greater Vancouver Regional District (GVRD) Requisition

The GVRD requisition to the City is \$11,554,169 representing an increase of \$558,265 or 5.1% from the 2005 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 \$29,050, an increase of \$3,602 or 14.2% from the 2005 level.

4. BC Assessment Authority Levy

The BC Assessment Authority has set tax rates that generate a tax levy of \$12,226,986, an increase of \$253,926 or 2.1% from the 2005 level.

5. Greater Vancouver Transportation Authority (TransLink) Levy

The Greater Vancouver Transportation Authority has set tax rates that generate a property tax levy of \$80,871,057, an increase of \$8,602,187 or 11.9% from the 2005 level. This increase reflects funding for the three year financial plan approved by the Translink Board.

The Translink Board also approved the introduction of a Parking Tax on non residential properties in the region. This tax will be billed at \$0.78 per square meter (\$8.40 per square foot) of taxable parking space as specified in the GVTA Taxing Bylaw.

AVERAGING RESOLUTIONS

Approval of the land assessment averaging program in 2006 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 (Appendix B) 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 Wednesday July 5, 2006. 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 27, 2006 by Orders-in-Council No. 288 and No. 289, the Lieutenant-Governor in Council levied the following tax rates on Class 1 - Residential and Class 6 - business and other:

Class 1 - residential	2.0353
Class 6 - business and other	9.2000

being dollars of tax for each one thousand dollars of taxable value, for the 2006 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	\$ 182,495,524
Class 6 - business and other	\$ 159,342,730

AND WHEREAS on March 23, 2006, pursuant to provisions of the *Vancouver Charter*, Council approved Bylaw 9266 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 23, 2006, of land in the above-noted Classes subject to taxation under the *School Act* for the year 2006 are as follows:

	<u>Net Taxable Value</u>	<u>Adjusted Taxable Value</u>
Class 1 - residential	\$ 89,665,171,922	\$ 80,446,140,074
Class 6 - business & other	17,319,862,000	15,983,110,951

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 2.6854 is hereby substituted for the rate of 2.0353; and in the case of Class 6 - business and other, the rate of 9.96944 is substituted for the rate of 9.2000 for taxation pursuant to the *School Act* within the City of Vancouver for the 2006 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 9, 2006, the Authority, levied the following tax rates on Class 1 - residential and Class 6 - business and other:

Class 1 - residential	0.0816
Class 6 - business and other	0.2647

being dollars of tax for each one thousand dollars of taxable value, for the 2006 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	\$ 7,316,613
Class 6 - business and other	\$ 4,566,044

AND WHEREAS on March 23, 2006, pursuant to provisions of the *Vancouver Charter*, Council approved Bylaw 9266 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 23, 2006, of land in the above-noted Classes subject to taxation under the *British Columbia Assessment Authority Act* for the year 2006 are as follows:

	<u>Net Taxable Value</u>	<u>Adjusted Taxable Value</u>
Class 1 - residential	\$ 89,664,373,422	\$ 80,445,341,574
Class 6 - business & other	17,249,884,200	15,917,790,484

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 0.09095 is hereby substituted for the rate of 0.08160; and in the case of Class 6 - business and other, the rate of 0.28685 is substituted for the rate of 0.26470 for taxation pursuant to the *Assessment Authority* within the City of Vancouver for the 2006 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 30, 2006, 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 2006 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	\$ 26,899
Class 6 - business and other	\$ 1,725

AND WHEREAS on March 23, 2006, pursuant to provisions of the *Vancouver Charter*, Council approved Bylaw 9266 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 23, 2006, of land in the above-noted Classes subject to taxation under the *Municipal Finance Authority Act* for the year 2006 are as follows:

	<u>Net Taxable Value</u>	<u>Adjusted Taxable Value</u>
Class 1 - residential	\$ 89,664,373,422	\$ 80,445,341,574
Class 6 - business & other	17,249,884,200	15,917,790,484

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 2006 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 March 6, 2006, the Authority levied the following tax rates on Class 1 - residential and Class 6 - business and other:

Class 1 - residential	0.46880
Class 6 - business and other	2.11010

being dollars of tax for each one thousand dollars of taxable value, for the 2006 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	\$ 42,034,658
Class 6 - business and other	\$ 36,398,981

AND WHEREAS on March 23, 2006, pursuant to provisions of the *Vancouver Charter*, Council approved Bylaw 9266 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 23, 2006, of land in the above-noted Classes subject to taxation under the *Greater Vancouver Transportation Act* for the year 2006 are as follows:

	<u>Net Taxable Value</u>	<u>Adjusted Taxable Value</u>
Class 1 - residential	\$ 89,664,373,422	\$ 80,445,341,574
Class 6 - business & other	17,249,884,200	15,917,790,484

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 0.52252 is hereby substituted for the rate of 0.46880; and in the case of Class 6 - business and other, the rate of 2.28669 is substituted for the rate of 2.11010 for taxation pursuant to the *Greater Vancouver Transportation Act* within the City of Vancouver for the 2006 taxation year.

City of Vancouver

2006 PROPERTY TAX RATES (per \$1000 taxable value)

Including: averaging of Class 1/6 land assessments.
1% shift of levy to Residential

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	2.66174	35.32982	28.46539	14.28709	15.48272	2.38798	2.38798
Provincial School: Residential	2.26854						
Provincial School: Non-Residential		14.90000	12.50000	9.20000	9.96944	4.20000	6.80000
TransLink	0.52252	3.01490	2.93050	2.93050	2.28669	0.46880	0.46880
BC Assessment Authority	0.09095	0.51450	0.51450	0.26470	0.28685	0.08160	0.08160
Municipal Finance Authority	0.00033	0.00050	0.00050	0.00050	0.00011	0.00020	0.00020
Greater Vancouver Regional District	0.09445	0.33059	0.32114	0.32114	0.23143	0.09445	0.09445
TOTAL	5.63853	54.09031	44.73203	27.00393	28.25724	7.23303	9.83303

Tax Rate Change from 2005	-5.86%	3.48%	0.23%	-5.92%	-3.89%	-5.95%	-1.58%
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2006 PROPERTY TAX REVENUE BY LEVY

65

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	214,238,850	6,295,620	5,542,340	4,528,886	246,450,693	291,164	226	477,347,800
Provincial School: Residential	182,495,287	-	-	-	-	-	-	182,495,300
Provincial School: Non-Residential	-	7,189,166	2,433,806	2,916,322	159,342,666	507,128	321	172,389,400
TransLink	42,034,300	881,458	570,582	928,944	36,399,052	56,413	22	80,870,800
BC Assessment Authority	7,316,504	150,423	100,175	83,908	4,566,018	9,819	4	12,226,900
Municipal Finance Authority	26,547	146	97	158	1,751	24	0	28,700
Greater Vancouver Regional District	7,598,063	96,654	62,527	101,799	3,683,854	11,366	4	11,554,300
TOTAL	453,709,549	14,613,467	8,709,528	8,560,016	450,444,034	875,913	577	936,913,200

Percent of Total Levy	44.9%	1.3%	1.2%	0.9%	51.6%	0.1%	0.0%	100.0%
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