

Supports Item No. 3  
CS&B Committee Agenda  
April 21, 2009



ADMINISTRATIVE REPORT

Report Date: April 13, 2011  
Contact: Grace Cheng  
Contact No.: 604.871.6654  
RTS No.: 09036  
VanRIMS No.: 08-2000-20  
Meeting Date: April 21, 2011

TO: Standing Committee on City Services and Budgets  
FROM: Director of Finance  
SUBJECT: 2011 Property Taxation: Distribution of Property Tax Levy

**RECOMMENDATION**

THAT Council instruct the Director of Finance to calculate the 2011 general purpose tax rates for all property classes, incorporating a one percent shift of tax levy from non-residential properties (Classes 2, 4, 5 and 6) to residential properties (Classes 1, 8 and 9), resulting in a tax distribution of approximately 52.5% residential and 47.5% non-residential.

**CITY MANAGER'S COMMENTS**

The City Manager recommends approval of the foregoing.

In December 2010, Council approved the 2011 Operating Budget and an overall general purpose tax levy of \$581.5 million. Based on the *2011 Revised Roll*, this levy can be generated with a tax increase of 1.88% compared to the earlier estimate of 2.2%.

The 2011 tax year is the fourth year of the tax redistribution program which was adopted by Council in March 2008 in response to the recommendations of Property Tax Policy Review Commission ("PTPRC"). Continuing the program will result in a tax distribution of 52.5% residential and 47.5% non-residential; and \$22.2 million of the \$23.8 million target will have been redistributed with a balance of \$1.6 million (approximately 0.3% of the annual tax levy) remaining for 2012.

**COUNCIL POLICY**

Section 219 of the *Vancouver Charter* requires that, by April 30, the Director of Finance submits to Council a report that sets out the distribution of the general purpose tax levy among property classes for that year.

It has been Council policy that the tax rates for Class 1, 8 and 9 and for Class 5 and 6 be calculated on a blended basis, which means the classes within these two groups are taxed at the same rate.

Since 1983, it has been Council policy to distribute the general purpose tax levy through a “fixed tax share” approach under which the share of the levy collected from each property class remains constant over time, subject to adjustments arising from non-market changes on the *Assessment Roll* (e.g. transfer of properties among classes, new construction within each class) and/or Council decisions to adjust the share for each class. This approach ensures that Council maintains control over the distribution of the levy rather than having differential market value changes influence how the levy is distributed among property classes.

In April 2005, Council reaffirmed the policy of distributing the general purpose tax levy through the “fixed tax share” approach.

In March 2008, Council adopted the recommendations of the PTPRC that the “fixed tax share” approach be continued and that a target distribution of 52% residential and 48% non-residential be achieved (based on the *2007 Assessment Roll*) by shifting \$23.8 million proportionately from Classes 2, 4, 5 and 6 to Classes 1, 8 and 9. In order to avoid the significant impact of the shift in one year, the PTPRC recommended that the shift be implemented at a rate of one percent of the overall tax levy per year until the \$23.8 million target is achieved.

In December 2010, Council approved the 2011 Operating Budget and an overall general purpose tax levy of \$581.5 million, requiring an estimated tax increase of 2.2% (final tax increase based on the *2011 Revised Roll* is 1.88%).

In March 2011, Council approved the continuation of the three-year land assessment averaging program in 2011 for the purpose of calculating property taxes for Residential (Class 1), Light Industrial (Class 5), and Business and Other (Class 6) properties.

## **PURPOSE**

The purpose of this report is to meet the *Vancouver Charter* requirement that Council reviews and approves the distribution of the general purpose tax levy among property classes before establishing annual tax rates for 2011.

## **BACKGROUND**

### **Overview of Property Tax Process**

In British Columbia, provincial legislation empowers local governments to levy property taxes for the purpose of funding capital and operating expenses. BC Assessment (BCA) and the City follow six basic steps to determine the amount of tax levied on properties in Vancouver:

1. BCA determines the assessed value of each property.
2. BCA assigns each property to a property class.
3. Council determines the share of the annual operating budget to be collected through the general purpose tax levy.
4. Council determines the distribution of tax levy among property classes.

5. Council determines the tax rate for each property class.
6. Application of mitigation measures by Council and/or the Province.

### **Distribution of General Purpose Tax Levy**

Distribution of the general purpose tax levy among property classes has been a subject of discussion since the mid-1970s when market value assessments were introduced in British Columbia. There are two common approaches to tax distribution:

*“Fixed Tax Rate Ratio” Approach* - “Class multiples” are used to fix the ratio between the Class 1 Residential tax rate and the tax rates of all other property classes. This often leads to significant year-over-year tax shifts between residential and non-residential property classes arising from differential market value changes among those classes.

*“Fixed Tax Share” Approach* - Distribution of the tax levy among property classes is determined by Council, subject to non-market changes within the classes (e.g. property transfers between classes, new construction) and/or Council decisions to adjust the share for each class. This means differential market value changes will not impact the tax share for each class.

In the late 1970s and early 1980s, the Province established the tax rate ratios for municipal governments annually. This resulted in significant year-over-year inter-class tax shifts arising from differential market value changes. At the request of Council and the Union of British Columbia Municipalities, the Province granted municipal governments the authority to determine their own tax distribution approach beginning in 1983. Since then, it has been Council policy to use the “fixed tax share” approach.

There are different approaches for distributing the costs of tax-supported City services and programs among property classes. The following guiding principles are typically used to evaluate taxation policies; how they fit together is primarily a subjective consideration by Council.

- Equal treatment of equals
- Fairness, based on benefits received
- Fairness, based on ability to pay
- Economic behavior
- Accountability
- Stability and predictability
- Simplicity and ease of administration
- Regional and national competitiveness

Since the early 1990s, representatives of the business community have been advocating that distribution of tax levy be based on “consumption” of tax-supported City services and programs by each property class. Council did not support the use of “consumption” studies as the basis for tax distribution in 1995 and again in 2007. One of the key reasons is that consumption models in general focus on properties that receive immediate and direct benefits, though fall short on identifying those that receive secondary and/or ultimate benefits from city services and programs. Furthermore, determining benefits received is only one of the several aforementioned guiding principles to be considered in setting tax

distribution. Nevertheless, to address the impacts of tax distribution on businesses, Council agreed to gradually shift the tax levy from non-residential property classes to residential property classes.

In November 2006, Council established the PTPRC to address two key issues concerning the impact the City's taxation policies have on Vancouver's economy:

***Tax Share*** - Recommend a long-term policy that will define and achieve a "fair" tax distribution for commercial property taxpayers, addressing the perceived inequity in the share of the City's general purpose tax levy that is paid by the non-residential property classes.

***Volatility*** - Recommend a strategy to enhance the stability and predictability of property taxes for individual properties in the face of sudden, large year-over-year increases in market value.

In March 2008, Council approved the following recommendations brought forward by the PTPRC:

***Tax Share*** - Redistribute \$23.8 million of tax levy proportionately from Classes 2, 4, 5 and 6 to Classes 1, 8 and 9 over five years, at a rate of one percent of the overall tax levy per year, in order to achieve the PTPRC's recommended tax levy distribution of 52% residential and 48% non-residential (*based on 2007 Assessment Roll*) and to avoid the significant impact of the shift in one year.

***Volatility*** - Seek an amendment to the *Vancouver Charter* to enable the City to use up to five years of assessed land values, as opposed to three years currently allowable, in the land assessment averaging formula for calculating property taxes. A request for the amendment was submitted to the Province but approval has not been granted.

It should also be noted that the use of "consumption" studies within the context of property taxation policies was also considered by the PTPRC and was not recommended due largely to the reasons cited above.

Between 1994 and 2010, \$45.9 million of tax levy was redistributed from non-residential to residential property classes, changing the tax distribution from 40% residential and 60% non-residential in 1994 to 51% residential and 49% non-residential in 2010. Although the relative tax burden on non-residential property classes has been declining, the rate at which they are levied (per \$1,000 taxable value) has been increasing relative to the rate at which residential properties are levied. This is primarily the result of the differential escalation in property values: non-residential property values have not appreciated as fast as residential values. As such, it is important to note that a higher tax rate ratio between the non-residential property classes and Class 1 - Residential is not always an indicator of increasing tax burden on non-residential properties and that the tax rate ratio by itself is a misleading index of tax equity. Refer to the "Calculation of Tax Rates" section for further details.

The history of Council-directed tax shifts and tax distribution is presented in Appendix A and B.

## Calculation of Tax Rates

Under the “fixed tax share” approach, Council determines the share of tax levy for each property class, but not for each individual property within the class. Section 374.2 (1) of *Vancouver Charter* further stipulates that Council determines and imposes a single tax rate for each property class, but not for each individual property within the class. To generate the Council-approved tax levy, when the total assessed value of a property class increases, the tax rate for the class is adjusted down; when the total assessed value decreases, the tax rate is adjusted up.

While changes in assessed values will not change the total tax levy generated from each property class, differential changes among properties within the same class can result in significant shifts in taxes paid by individual property owners from year to year. As a general rule, the extent of change in a property’s taxes is determined primarily by how that property’s assessed value has changed relative to the average change in value within its class.

Table 1 below outlines how volatility in a property’s assessed value impacts its property taxes in general terms. It does not, however, reflect the impact of non-market changes (e.g. new construction, class transfers) and redistribution of taxes among property classes.

**Table 1: Impact of Assessed Value Changes on Property Taxes**

If a property’s assessed value has increased...	its property tax...
...at the same rate as the property class average change,	...will increase <i>at the same rate</i> as the property class average increase.
...more than the property class average change,	...will increase <i>more</i> than the property class average increase.
...less than the property class average change,	...will increase <i>less</i> than the property class average increase.

## Mitigation Measures

Since 1993, it has been Council policy to apply three-year land assessment averaging for the purpose of calculating property taxes for Residential (Class 1) and Business & Other (Class 6) properties; in 2007, Council extended the program to Light Industrial (Class 5) properties.

**Three-year Land Assessment Averaging** - This mechanism phases in the year-over-year property tax impact arising from increases and decreases in assessed land values. It entails using the averaged land value of the current year and two prior years plus the current assessed improvement value for calculating property taxes. The history of Council-directed mitigation measures is presented in Appendix C.

There are two provincial mechanisms that offer some tax relief to eligible residential property owners:

**Home Owner Grant** - Home owners who occupy their principal residence the value of which falls within the qualifying range are eligible for the grant. The grant is applied first to offset school taxes, and then taxes levied by other taxing authorities.

Effective 2006, individuals who are 65 years of age or older who fall within the lower income levels are able to claim the full senior home owner grant irrespective of the value of their property.

*Property Tax Deferment* - Eligible home owners who occupy their principal residence may defer all or a portion of the taxes owing net of home owner grant, if applicable. The Province finances the property tax payments at prescribed low interest rates and puts a charge against the property. Repayment is not required until ownership is transferred. Property tax deferment is available to individuals who are 55 years of age or older and, effective 2010, to families with children under 18 years of age.

## DISCUSSION

### 2011 Revised Roll

On December 16, 2010, Council approved the 2011 Operating Budget and an overall general purpose tax levy of \$581.5 million. Based on the *2011 Revised Roll*, this levy can be generated with a tax increase of 1.88% compared to the earlier estimate of 2.2%.

Key facts relating to the *2011 Revised Roll* are as follows. Reconciliation of the assessment base and overall tax levy between 2010 and 2011 is presented in Appendix E.

- (i) The taxable assessment base has increased by 13.16%.
- (ii) The overall tax levy has increased by 2.54%, which is comprised of the following:

<i>2010</i> -	
Supplementary adjustments arising from assessment appeals	-0.04%
<i>2011</i> -	
New construction	+0.56%
Class transfers and other non-market changes	+0.14%
Increase in overall tax levy to generate \$581.5 million	<u>+1.88%</u>
	<u>2.54%</u>

- (iii) New construction, class transfers and other non-market changes have shifted 0.37% of the overall tax levy from non-residential to residential property classes.
- (iv) Two Class 6 - Business & Other properties (8 folios) have been converted to Class 8 - Recreational properties as parks and gardens totaling \$18.6 million in assessed value, resulting in tax savings of approximately \$128,400 for the impacted properties.
- (v) 13 properties (615 folios) totaling \$365 million in assessed value are eligible for heritage tax exemptions, resulting in \$1.1 million of forgone general purpose tax levy which is shared among non-exempt properties in the normal course of balancing the annual operating budget.

- (vi) To-date, 68 property folios have been designated as Class 3 Supportive Housing<sup>1</sup>, resulting in \$0.7 million of forgone general purpose tax levy and payment-in-lieu of taxes. This represents additional subsidy from the City beyond the capital funding and land already committed to the development of supportive housing, as other taxpayers must pay more to make up for the shortfall arising from the exemptions.
- (vii) As part of the Ports Competitiveness Initiative that took effect in 2004 and extended through 2018, the Province has legislated municipal tax rate caps to eligible tenant-occupied port properties: \$27.50 (per \$1,000 taxable value) on existing properties and \$22.50 (per \$1,000 taxable value) on new investments. Seven folios are eligible under this provision which translate into net forgone taxes of \$0.8 million.

**Distribution of General Purpose Tax Levy**

The following analysis is based on the *2011 Revised Roll* available at the time of the report. Applying the *Average Assessment Roll* (available in mid-April) will change the taxable values and the applicable tax rates for Classes 1, 5 and 6, but the overall tax levy and the tax distribution among property classes will be the same. The final tax rates will be reported to Council on May 5, 2011 for adoption.

Table 2 below summarizes the distribution of tax levy among property classes and the tax rate for each class after the one percent shift.

**Table 2: 2011 Tax Levy Distribution Before and After 1% Shift**

	Residential Class 1	Utilities Class 2	Supportive Housing Class 3	Major Industry Class 4	Light Industry Class 5	Business & Other Class 6	Recreational & Non-profit Class 8	Farm Class 9	Total	
Taxable Value	(\$)	153,059,694,654	178,688,094	72	195,140,100	622,176,200	29,222,022,124	303,372,900	121,782	183,581,215,926
Base Tax Levy	(\$)	293,805,253	6,819,023	0	6,153,832	5,836,233	258,397,349	591,072	235	571,602,997
Tax Increase (1.88%)	(\$)	5,523,539	128,198	0	115,692	109,721	4,857,870	11,112	4	10,746,136
Tax Levy Before 1% Shift	(\$)	299,328,792	6,947,221	0	6,269,524	5,945,954	263,255,219	602,184	239	582,349,134
		51.40%	1.19%	0.00%	1.08%	1.02%	45.21%	0.10%	0.00%	100.00%
1% Shift	(\$)	5,820,849	(143,253)	0	(129,278)	<i>in Class 6</i>	(5,550,960)	2,638	4	(0)
Tax Levy After 1% Shift	(\$)	305,149,641	6,803,969	0	6,140,246	<i>in Class 6</i>	263,650,213	604,822	243	582,349,134
		52.40%	1.17%	0.00%	1.05%	<i>in Class 6</i>	45.27%	0.10%	0.00%	100.00%

<b>UNAVERAGED TAX RATES</b>	<b>1.99366</b>	<b>38.07735</b>	<b>0.00000</b>	<b>31.46583</b>	<b>8.83422</b>	<b>8.83422</b>	<b>1.99366</b>	<b>1.99366</b>
-----------------------------	----------------	-----------------	----------------	-----------------	----------------	----------------	----------------	----------------

Residential (Class 1, 3, 8 & 9)	Non-Residential (Class 2, 4, 5 & 6)
------------------------------------	--

Taxable Value	83.54%	16.46%
Tax Levy Distribution	52.50%	47.50%

Note: Total tax levy \$582.3 million - Forgone taxes on eligible Port properties \$0.8 million = Council-approved tax levy \$581.5 million

<sup>1</sup> Designated properties, in whole or in part, are subject to special valuation rules that reduce the assessed value of the Class 3 portion of the property to a nominal amount and therefore effectively exempt the property from property taxes.

A one percent tax shift (\$5.8 million) from non-residential properties (Classes 2, 4, 5 and 6) to residential properties (Classes 1, 8 and 9) is equivalent to an additional tax increase of 1.94% for residential properties and a tax reduction of 2.06% for non-residential properties. Including the 1.88% increase required to generate the Council-approved tax levy of \$581.5 million, residential property classes will face an increase of 3.82% in tax levy while non-residential property classes will experience a reduction of 0.18% in tax levy. The resulting distribution of tax levy would be 52.5% residential and 47.5% non-residential.

Table 3 below summarizes the overall tax impact on a property valued at \$877,000 in Class 1 Residential and Class 6 Business & Other.

**Table 3: 2011 Tax Impact - Residential vs. Non-residential**

	Property valued @ \$877,000 <sup>2</sup>	
	Residential	Non-residential
General Purpose Tax Levy <sup>3</sup>		
Base	\$1,683	\$7,765
1.88% Increase	\$32	\$146
1% Shift <sup>4</sup>	\$33	(\$163)
<b>Total<sup>5</sup></b>	<b>\$1,748</b>	<b>\$7,748</b>

Differential change in property values within each class will result in intra-class tax shifts among properties. While the 3.82% increase applies to the overall tax levy generated from the residential property classes, the extent of change in a property's taxes is determined primarily by how that property's assessed value has changed relative to the average change in value within its class. Properties with higher increases in values relative to the class average will see increases in their taxes beyond the 3.82%, while properties with lower increases in values will see no change or a reduction in their taxes. The same applies to non-residential property classes.

Generally speaking, increases in Class 6 assessed values over the last 20 years were mainly driven by market demand and land use policies. Over the years, certain neighborhood commercial centers have experienced differentially large increases in market value as demand for space in these areas drives up rents and market values. Certain land use decisions also have had significant impacts on property values, particularly if they pertain to a change from non-residential to residential zoning and/or a change in the development potential. As a result, those impacted commercial properties will likely experience an increase in the assessed value that is higher than the rest of the class and consequently a higher than average increase in taxes, which are borne by property owners and/or tenants on triple net leases.

<sup>2</sup> Average value of residential property in Vancouver.

<sup>3</sup> Taxes levied by other taxing authorities - Provincial School, Translink, BC Assessment, Metro Vancouver, and Municipal Finance Authority - are not included. Council has no control over the amounts collected by these taxing authorities.

<sup>4</sup> 1% tax levy redistribution is equivalent to a 1.94% increase for residential property classes and a 2.06% decrease for non-residential property classes.

<sup>5</sup> Impact on individual properties may vary depending on the relative change in value of a property compared to other properties in the same class, and the impact that the City's rolling three-year land assessment averaging program has on the value of a property for tax calculation purposes.



Regardless of the tax distribution approach, intra-class tax shifts arising from differential market value changes will naturally occur. The only mechanism available to Council is land assessment averaging which phases in the property tax impact arising from increases and decreases in assessed land values. Council has approved the continuation of the three-year land assessment averaging program in 2011 for the purpose of calculating property taxes for Residential (Class 1), Light Industrial (Class 5), and Business and Other (Class 6) properties.

### **Vancouver Residential Taxes Compared to Other Metro Vancouver Municipalities**

In comparing the City's tax distribution to other Metro Vancouver municipalities, it is important to note that a number of factors may contribute to such differences:

- Different Council priorities
- Different service mix
- Different revenue mix besides general purpose tax levy (e.g. utility charges, user fees)
- Different composition of the *Assessment Roll*

Table 4 below summarizes the distribution of tax levy between residential and non-residential property classes in selected Metro Vancouver municipalities with a population of 100,000 or more in 2010.

**Table 4: 2010 Tax Distribution in Selected Metro Vancouver Municipalities (population  $\geq$  100,000)**

	% of Assessment Base		% of Tax Levy	
	Residential	Non-residential	Residential	Non-residential
Abbotsford	83%	17%	63%	37%
Burnaby	79%	21%	48%	52%
Coquitlam	87%	13%	58%	42%
Delta	80%	20%	54%	46%
Langley (District)	82%	18%	61%	39%
Richmond	78%	22%	51%	49%
Surrey	87%	13%	68%	32%
<i>Vancouver</i>	<i>83%</i>	<i>17%</i>	<i>51%</i>	<i>49%</i>

Source data: [http://www.cd.gov.bc.ca/lgd/infra/tax\\_rates/tax\\_rates2010.htm](http://www.cd.gov.bc.ca/lgd/infra/tax_rates/tax_rates2010.htm)

Table 5 below summarizes the distribution of tax levy between residential and non-residential property classes for other taxing authorities in 2010.

**Table 5: 2010 Tax Distribution for Other Taxing Authorities**

	% of Assessment Base		% of Tax Levy	
	Residential	Non-residential	Residential	Non-residential
BC Assessment	83%	17%	61%	39%
Metro Vancouver	83%	17%	66%	34%
Municipal Finance Authority	83%	17%	66%	34%
Provincial School	83%	17%	52%	48%
Translink	83%	17%	52%	48%

Note: Translink also allocates costs to residential properties through the hydro levy which is not included in the above.

Table 6 below summarizes the general purpose tax rates (per \$1,000 assessed value), tax levy and utility charges on an average single family (detached) unit in selected Metro Vancouver municipalities. As some municipalities have not established their 2011 tax rates, the comparison is based on 2010 data.

**Table 6: 2010 Municipal Charges in Selected Metro Vancouver Municipalities**

	Tax Rate (per \$1,000 Assessed Value)	Average Single Family (Detached) Value	Municipal General Purpose Tax Levy	Utilities	Total Charges (Municipal Tax & Utilities)
<i>Vancouver</i>	<i>2.14861</i>	<i>958,400</i>	<i>2,059</i>	<i>847</i>	<i>2,906</i>
West Vancouver	2.31820	1,443,100	3,345	1,108	4,453
Richmond	2.41731	684,800	1,655	940	2,596
Surrey	2.46040	531,800	1,308	801	2,109
North Vancouver (City)	2.48982	739,700	1,842	716	2,558
Burnaby	2.58670	700,700	1,813	414	2,227
North Vancouver (District)	2.60146	829,800	2,159	1,036	3,195
Langley (Township)	3.20230	466,700	1,495	896	2,390
Coquitlam	3.20770	578,100	1,854	661	2,515
Port Moody	3.29200	647,500	2,132	896	3,027
Delta	3.42100	517,500	1,770	800	2,570
Pitt Meadows	3.59340	417,400	1,500	845	2,345
White Rock	3.77760	700,900	2,648	393	3,040
New Westminster	3.82410	555,900	2,126	943	3,069
Port Coquitlam	3.83430	466,000	1,787	795	2,582
Langley (City)	3.88440	421,800	1,638	797	2,435
Maple Ridge	3.91240	433,100	1,694	649	2,344
Abbotsford	4.77132	377,500	1,801	875	2,676
<b>Metro Vancouver Average</b>	<b>3.01869</b>	<b>637,261</b>	<b>1,924</b>	<b>801</b>	<b>2,724</b>

Source data: [http://www.cd.gov.bc.ca/lgd/infra/tax\\_rates/tax\\_rates2010.htm](http://www.cd.gov.bc.ca/lgd/infra/tax_rates/tax_rates2010.htm)

Vancouver's 2010 residential general purpose tax rate ranked the lowest among the selected Metro Vancouver municipalities. Further details on the assessment base, tax rates and levy of selected municipalities are presented in Appendix D.

## FINANCIAL IMPLICATIONS

In December 2010, Council approved the 2011 Operating Budget and an overall general purpose tax levy of \$581.5 million. Based on the *2011 Revised Roll*, this levy can be generated with a tax increase of 1.88% compared to the earlier estimate of 2.2%.

The tax distribution outlined in this report will not impact the overall tax levy.

## CONCLUSION

Property tax is the primary revenue tool available for Council to fund City services and programs. In 2011, 56% of the Operating Budget is funded by the general purpose tax levy. Given the various approaches to sharing the costs of tax-supported City services and programs among property classes, tax distribution continues to be one of the most complex and difficult decisions Council has to make.

To address the impact of tax distribution on Vancouver's businesses, between 1994 and 2010, Council redistributed \$45.9 million of tax levy from non-residential to residential property classes, changing the tax distribution from 40% residential and 60% non-residential in 1994 to 51% residential and 49% non-residential in 2010. In 2011, continuing the tax redistribution program recommended by the PTPRC and adopted by Council in March 2008 will result in a tax distribution of 52.5% residential and 47.5% non-residential; and \$22.2 million of the \$23.8 million target will have been redistributed with a balance of \$1.6 million (approximately 0.3% of the annual tax levy) remaining for 2012.

\* \* \* \* \*

YEAR	
1994	▪ Shifted \$3.0 million from Class 6 to Class 1
1995	▪ Shifted \$3.0 million from non-residential property classes to Class 1
1996	▪ No shift
1997	▪ Shifted \$2.9 million from non-residential property classes to Class 1
1998	▪ No shift
1999	▪ No shift
2000	▪ Shifted \$3.7 million from non-residential classes to residential classes
2001	▪ No shift
2002	▪ No shift
2003	▪ Shifted \$2.1 million from non-residential classes to residential classes
2004	▪ No shift
2005	▪ No shift
2006	▪ Shifted \$4.8 million from non-residential classes to residential classes
2007	▪ Allocated the entire 3.98% tax increase to residential classes, which is equivalent to a shift of \$10 million
2008	▪ Shifted \$5.2 million from non-residential property classes to residential property classes
2009	▪ Shifted \$5.5 million from non-residential property classes to residential property classes
2010	▪ Shifted \$5.7 million from non-residential property classes to residential property classes

YEAR	RESIDENTIAL CLASSES	NON-RESIDENTIAL CLASSES
1984	39.8%	60.2%
1985	39.4%	60.6%
1986	39.3%	60.7%
1987	39.6%	60.4%
1988	39.9%	60.1%
1989	39.4%	60.6%
1990	39.5%	60.5%
1991	39.5%	60.5%
1992	39.5%	60.5%
1993	39.4%	60.6%
1994	40.1%	59.9%
1995	41.5%	58.5%
1996	42.0%	58.0%
1997	43.0%	57.0%
1998	41.9%	58.1%
1999	42.4%	57.6%
2000	42.8%	57.2%
2001	41.9%	58.1%
2002	42.3%	57.7%
2003	43.0%	57.0%
2004	43.4%	56.6%
2005	43.6%	56.4%
2006	45.0%	55.0%
2007	47.3%	52.7%
2008	48.5%	51.5%
2009	50.0%	50.0%
2010	51.0%	49.0%

YEAR	CLASS 1 - RESIDENTIAL	CLASS 6 - BUSINESS & OTHER
1989	<ul style="list-style-type: none"> <li>Capped land value increases at 61%</li> </ul>	<ul style="list-style-type: none"> <li>Capped tax increases at 40%</li> </ul>
1990	<ul style="list-style-type: none"> <li>No adjustments</li> </ul>	<ul style="list-style-type: none"> <li>Capped tax increases at 10.1%</li> </ul>
1991	<ul style="list-style-type: none"> <li>Capped tax increases at 5.5%</li> <li>No limit on tax credit</li> </ul>	<ul style="list-style-type: none"> <li>Capped tax increases at 7.5%</li> <li>\$400,000 limit on tax credit</li> </ul>
1992	<ul style="list-style-type: none"> <li>Capped tax increases at 6.0%</li> <li>\$5,000 limit on tax credit</li> </ul>	<ul style="list-style-type: none"> <li>Capped tax increases at 10.0%</li> <li>\$100,000 limit on tax credit</li> </ul>
1993	<ul style="list-style-type: none"> <li>Implemented three-year land averaging</li> <li>Capped tax increases at 25% for select properties</li> </ul>	<ul style="list-style-type: none"> <li>Implemented three-year land averaging</li> <li>Capped tax increases at 25% for select properties</li> </ul>
1994	<ul style="list-style-type: none"> <li>Continued three-year land averaging</li> <li>Capped tax increases at 10% for select properties</li> <li>\$500 limit on tax credit</li> </ul>	<ul style="list-style-type: none"> <li>Continued three-year land averaging</li> <li>Capped tax increases at 10% for select properties</li> <li>\$15,000 limit on tax credit</li> </ul>
1995	<ul style="list-style-type: none"> <li>Continued three-year land averaging</li> <li>No tax capping</li> </ul>	<ul style="list-style-type: none"> <li>Continued three-year land averaging</li> <li>Capped tax increases at 15% for select properties under a phasing out methodology</li> <li>\$10,000 limit on tax credit</li> </ul>
1996	<ul style="list-style-type: none"> <li>Continued three-year land averaging</li> <li>No tax capping</li> </ul>	<ul style="list-style-type: none"> <li>Continued three-year land averaging</li> <li>Capped tax increases at 20% for select properties under a phasing out methodology</li> <li>\$7,500 limit on tax credit</li> </ul>
1997	<ul style="list-style-type: none"> <li>Continued three-year land averaging</li> <li>No tax capping</li> </ul>	<ul style="list-style-type: none"> <li>Continued three-year land averaging</li> <li>Capped tax increases at 25% for select properties under a phasing out methodology</li> <li>\$5,000 limit on tax credit</li> <li>Last year of tax capping</li> </ul>
1998-2011	<ul style="list-style-type: none"> <li>Continued three-year land averaging</li> <li>No tax capping</li> </ul>	<ul style="list-style-type: none"> <li>Continued three-year land averaging</li> <li>No tax capping</li> </ul>

**NOTES:** 1) Since 2007, land assessment averaging has been extended to Class 5 Light Industry.  
 2) In 1998, Council approved the implementation of the Solid Waste Utility.  
 3) In 2000, Council approved the implementation of the Sanitary Sewer Utility. In December 2008, Council further approved the implementation of a flow-based charge that would fund all sanitary sewer infrastructure costs, with 50% of the annual costs (2009 - \$5.2M) being transferred from taxes to user fees in 2009, and 100% in 2010.

**2010 ASSESSMENT BASE, TAX RATES & LEVY  
OF SELECTED METRO VANCOUVER MUNICIPALITIES**

Municipality	Property Class	General Taxable Values	Assessment Base %	Municipal General Purpose Tax Rates	Tax Class Multiples	Total Municipal General Purpose Tax Levy	Tax Levy %
<b>Vancouver (Averaged)</b>	Residential	134,838,619,891	83	2.14861	1.00	289,715,607	51
	Utilities	172,314,503	0	39.91096	18.58	6,877,237	1
	Supportive Housing	70	0	0.00000	0.00	0	0
	Major Industry	199,061,000	0	30.64936	14.26	6,101,092	1
	Light Industry	539,081,756	0	9.78076	4.55	5,272,629	1
	Business	26,511,180,332	16	9.78076	4.55	259,299,492	46
	Managed Forest		0	0.00000	0.00	0	0
	Recreation	280,501,200	0	2.15381	1.00	604,146	0
	Farm	116,889	0	2.15381	1.00	252	0
	<b>Total</b>		<b>162,540,875,641</b>	<b>100</b>			<b>567,870,456</b>
<b>Abbotsford</b>	Residential	13,957,862,162	83	4.77132	1.00	66,328,858	63
	Utilities	68,866,758	0	40.00000	8.38	2,737,102	3
	Supportive Housing	0	0	0.00000	0.00	0	0
	Major Industry	0	0	0.00000	0.00	0	0
	Light Industry	366,459,324	2	11.59289	2.43	4,233,544	4
	Business/Other	2,319,882,550	14	12.65000	2.65	29,345,356	28
	Managed Forest	0	0	0.00000	0.00	0	0
	Recreation	11,190,100	0	7.76958	1.63	86,942	0
	Farm	137,962,094	1	17.94119	3.76	2,473,804	2
	<b>Totals</b>		<b>16,862,222,988</b>	<b>100</b>			<b>105,205,607</b>
<b>Burnaby</b>	Residential	34,725,252,350	79	2.58670	1.00	89,823,810	48
	Utilities	149,580,395	0	32.60520	12.60	4,877,099	3
	Supportive Housing	2	0	2.58670	1.00	0	0
	Major Industry	154,742,300	0	44.48440	17.20	6,883,618	4
	Light Industry	811,755,100	2	10.02960	3.88	8,141,579	4
	Business/Other	7,798,676,429	18	10.02960	3.88	78,217,605	42
	Managed Forest	0	0	0.00000	0.00	0	0
	Recreation	41,456,500	0	1.66930	0.65	69,203	0
	Farm	1,331,414	0	10.02960	3.88	13,354	0
	<b>Totals</b>		<b>43,682,794,490</b>	<b>100</b>			<b>188,026,268</b>
<b>Coquitlam</b>	Residential	19,022,077,735	87	3.20770	1.00	61,017,119	58
	Utilities	20,793,165	0	39.90760	12.44	829,805	1
	Supportive Housing	0	0	0.00000	0.00	0	0
	Major Industry	18,836,900	0	60.50650	18.86	1,139,755	1
	Light Industry	274,523,800	1	12.51790	3.90	3,436,461	3
	Business/Other	2,514,447,601	11	15.03180	4.69	37,796,673	36
	Managed Forest	0	0	9.62000	3.00	0	0
	Recreation	23,792,600	0	14.12520	4.40	336,075	0
	Farm	779,676	0	15.90880	4.96	12,404	0
	<b>Totals</b>		<b>21,875,251,477</b>	<b>100</b>			<b>104,568,293</b>
<b>Delta</b>	Residential	15,016,808,449	80	3.42100	1.00	51,372,502	54
	Utilities	16,982,130	0	39.99840	11.69	679,258	1
	Supportive Housing	0	0	0.00000	0.00	0	0
	Major Industry	225,525,900	1	29.54370	8.64	6,265,718	7
	Light Industry	1,042,980,900	6	10.40490	3.04	10,852,112	11
	Business/Other	2,342,579,052	12	10.40490	3.04	24,374,301	26
	Managed Forest	0	0	0.00000	0.00	0	0
	Recreation	60,173,800	0	6.58340	1.92	396,148	0
	Farm	42,231,181	0	15.99660	4.68	675,555	1
	<b>Totals</b>		<b>18,747,281,412</b>	<b>100</b>			<b>94,615,594</b>

**2010 ASSESSMENT BASE, TAX RATES & LEVY  
OF SELECTED METRO VANCOUVER MUNICIPALITIES**

Municipality	Property Class	General Taxable Values	Assessment Base %	Municipal General Purpose Tax Rates	Tax Class Multiples	Total Municipal General Purpose Tax Levy	Tax Levy %
<b>Langley City</b>	Residential	2,763,689,311	72	3.88440	1.00	10,735,275	54
	Utilities	1,941,400	0	40.00000	10.30	77,656	0
	Supportive Housing	2	0	3.88440	1.00	0	0
	Major Industry	0	0	0.00000	0.00	0	0
	Light Industry	138,581,700	4	8.53380	2.20	1,182,629	6
	Business/Other	922,470,100	24	8.53380	2.20	7,872,175	40
	Managed Forest	0	0	0.00000	0.00	0	0
	Recreation	5,909,200	0	8.53380	2.20	50,428	0
	Farm	11,936	0	3.88440	1.00	46	0
	<b>Totals</b>	<b>3,832,603,649</b>	<b>100</b>			<b>19,918,209</b>	<b>100</b>
<b>Langley District</b>	Residential	16,298,988,806	82	3.20230	1.00	52,271,109	61
	Utilities	36,636,607	0	27.33400	8.54	1,001,425	1
	Supportive Housing	0	0	0.00000	0.00	0	0
	Major Industry	24,631,400	0	9.07520	2.83	223,535	0
	Light Industry	961,942,500	5	9.37710	2.93	9,020,231	10
	Business/Other	2,489,046,701	12	9.12880	2.85	22,722,010	26
	Managed Forest	0	0	0.00000	0.00	0	0
	Recreation	44,705,600	0	4.69610	1.47	209,942	0
	Farm	66,047,663	0	9.37680	2.93	619,316	1
	<b>Totals</b>	<b>19,921,999,277</b>	<b>100</b>			<b>86,067,567</b>	<b>100</b>
<b>Maple Ridge</b>	Residential	10,434,222,626	92	3.91240	1.00	40,822,853	77
	Utilities	11,456,396	0	40.00000	10.22	458,256	1
	Supportive Housing	0	0	0.00000	0.00	0	0
	Major Industry	18,076,000	0	32.20030	8.23	582,053	1
	Light Industry	191,432,100	2	11.74030	3.00	2,247,470	4
	Business/Other	736,220,823	6	11.74030	3.00	8,643,453	16
	Managed Forest	0	0	0.00000	0.00	0	0
	Recreation	4,475,400	0	10.89870	2.79	48,776	0
	Farm	5,204,842	0	23.99630	6.13	124,897	0
	<b>Totals</b>	<b>11,401,088,187</b>	<b>100</b>			<b>52,927,758</b>	<b>100</b>
<b>New Westminister</b>	Residential	8,537,446,502	87	3.82410	1.00	32,648,049	62
	Utilities	6,415,755	0	34.61930	9.05	222,109	0
	Supportive Housing	6	0	3.82410	1.00	0	0
	Major Industry	49,282,000	1	28.25280	7.39	1,392,354	3
	Light Industry	77,315,600	1	24.62770	6.44	1,904,105	4
	Business/Other	1,151,418,107	12	14.27050	3.73	16,431,312	31
	Managed Forest	0	0	0.00000	0.00	0	0
	Recreation	10,482,200	0	3.82410	1.00	40,085	0
	Farm	40,824	0	3.82410	1.00	156	0
	<b>Totals</b>	<b>9,832,400,994</b>	<b>100</b>			<b>52,638,171</b>	<b>100</b>
<b>North Vancouver City</b>	Residential	9,038,504,325	83	2.48982	1.00	22,504,249	52
	Utilities	8,520,960	0	40.00000	16.07	340,838	1
	Supportive Housing	0	0	0.00000	0.00	0	0
	Major Industry	111,624,000	1	27.50000	11.04	3,128,730	7
	Light Industry	32,758,700	0	9.79800	3.94	320,970	1
	Business/Other	1,727,668,700	16	9.79800	3.94	16,927,698	39
	Managed Forest	0	0	0.00000	0.00	0	0
	Recreation	6,095,000	0	2.58021	1.04	15,726	0
	Farm	0	0	0.00000	0.00	0	0
	<b>Totals</b>	<b>10,925,171,685</b>	<b>100</b>			<b>43,238,211</b>	<b>100</b>



**2010 ASSESSMENT BASE, TAX RATES & LEVY  
OF SELECTED METRO VANCOUVER MUNICIPALITIES**

Municipality	Property Class	General Taxable Values	Assessment Base %	Municipal General Purpose Tax Rates	Tax Class Multiples	Total Municipal General Purpose Tax Levy	Tax Levy %
<b>North Vancouver District</b>	Residential	19,826,002,117	92	2.60146	1.00	51,576,551	71
	Utilities	2,523,416	0	40.00000	15.38	100,937	0
	Supportive Housing	0	0	0.00000	0.00	0	0
	Major Industry	216,135,500	1	44.39072	17.06	7,331,680	10
	Light Industry	41,261,950	0	22.58143	8.68	931,754	1
	Business/Other	1,448,779,926	7	8.63395	3.32	12,508,693	17
	Managed Forest	0	0	0.00000	0.00	0	0
	Recreation	29,023,900	0	5.95882	2.29	172,948	0
	Farm	0	0	0.00000	0.00	0	0
	<b>Totals</b>	<b>21,563,726,809</b>	<b>100</b>			<b>72,622,564</b>	<b>100</b>
<b>Pitt Meadows</b>	Residential	2,367,469,104	86	3.59340	1.00	8,507,263	62
	Utilities	5,508,280	0	39.77660	11.07	219,101	2
	Supportive Housing	0	0	0.00000	0.00	0	0
	Major Industry	3,510,500	0	31.98620	8.90	112,288	1
	Light Industry	16,581,500	1	14.06180	3.91	233,166	2
	Business/Other	336,094,600	12	12.07500	3.36	4,058,342	30
	Managed Forest	0	0	0.00000	0.00	0	0
	Recreation	24,550,100	1	8.61980	2.40	211,617	2
	Farm	15,091,335	1	26.48250	7.37	399,656	3
	<b>Totals</b>	<b>2,768,805,419</b>	<b>100</b>			<b>13,741,433</b>	<b>100</b>
<b>Port Coquitlam</b>	Residential	7,275,769,304	83	3.83430	1.00	27,897,482	57
	Utilities	7,797,695	0	40.00000	10.43	311,908	1
	Supportive Housing	2	0	3.83430	1.00	0	0
	Major Industry	0	0	13.39170	3.49	0	0
	Light Industry	326,634,300	4	14.67300	3.83	4,792,705	10
	Business/Other	1,139,211,701	13	13.70920	3.58	15,617,681	32
	Managed Forest	0	0	40.00000	10.43	0	0
	Recreation	6,958,400	0	12.69690	3.31	88,350	0
	Farm	830,355	0	21.46280	5.60	17,822	0
	<b>Totals</b>	<b>8,757,201,757</b>	<b>100</b>			<b>48,725,948</b>	<b>100</b>
<b>Port Moody</b>	Residential	5,556,949,522	91	3.29200	1.00	18,293,478	67
	Utilities	2,232,353	0	40.00000	12.15	89,294	0
	Supportive Housing	0	0	0.00000	0.00	0	0
	Major Industry	104,168,400	2	48.48230	14.73	4,498,424	17
	Light Industry	27,876,600	0	18.74210	5.69	522,466	2
	Business/Other	389,391,791	6	9.83430	2.99	3,829,396	14
	Managed Forest	0	0	0.00000	0.00	0	0
	Recreation	4,873,700	0	4.94570	1.50	24,104	0
	Farm	0	0	0.00000	0.00	0	0
	<b>Totals</b>	<b>6,085,492,366</b>	<b>100</b>			<b>27,257,161</b>	<b>100</b>
<b>Richmond</b>	Residential	32,706,543,753	78	2.41731	1.00	79,061,855	51
	Utilities	19,542,687	0	34.61594	14.32	676,488	0
	Supportive Housing	0	0	0.00000	0.00	0	0
	Major Industry	108,470,900	0	10.15272	4.20	1,101,275	1
	Light Industry	1,371,607,700	3	9.42752	3.90	12,930,859	8
	Business/Other	7,441,015,368	18	8.36391	3.46	62,235,983	40
	Managed Forest	0	0	0.00000	0.00	0	0
	Recreation	107,044,300	0	1.64377	0.68	175,956	0
	Farm	26,800,933	0	11.09547	4.59	297,369	0
	<b>Totals</b>	<b>41,781,025,641</b>	<b>100</b>			<b>156,479,785</b>	<b>100</b>

**2010 ASSESSMENT BASE, TAX RATES & LEVY  
OF SELECTED METRO VANCOUVER MUNICIPALITIES**

Municipality	Property Class	General Taxable Values	Assessment Base %	Municipal General Purpose Tax Rates	Tax Class Multiples	Total Municipal General Purpose Tax Levy	Tax Levy %
<b>Surrey</b>	Residential	58,127,351,544	87	2.46040	1.00	143,016,536	68
	Utilities	48,625,040	0	32.90058	13.37	1,599,792	1
	Supportive Housing	2	0	0.00000	0.00	0	0
	Major Industry	100,406,200	0	11.36379	4.62	1,140,995	1
	Light Industry	1,247,011,003	2	6.38833	2.60	7,966,318	4
	Business/Other	7,415,694,982	11	7.37976	3.00	54,726,049	26
	Managed Forest	0	0	0.00000	0.00	0	0
	Recreation	111,219,300	0	2.37677	0.97	264,343	0
	Farm	35,482,352	0	2.32095	0.94	82,353	0
	<b>Totals</b>		<b>67,085,790,423</b>	<b>100</b>			<b>208,796,385</b>
<b>West Vancouver</b>	Residential	20,606,622,232	96	2.31820	1.00	47,770,272	92
	Utilities	10,118,800	0	9.37240	4.04	94,837	0
	Supportive Housing	0	0	0.00000	0.00	0	0
	Major Industry	1,031,000	0	13.07550	5.64	13,481	0
	Light Industry	0	0	13.07550	5.64	0	0
	Business/Other	777,786,300	4	4.83530	2.09	3,760,830	7
	Managed Forest	0	0	0.00000	0.00	0	0
	Recreation	34,798,700	0	5.26670	2.27	183,274	0
	Farm	0	0	0.00000	0.00	0	0
	<b>Totals</b>		<b>21,430,357,032</b>	<b>100</b>			<b>51,822,694</b>
<b>White Rock</b>	Residential	4,155,368,906	95	3.77760	1.00	15,697,322	88
	Utilities	4,727,280	0	25.76142	6.82	121,781	1
	Supportive Housing	0	0	0.00000	0.00	0	0
	Major Industry	0	0	0.00000	0.00	0	0
	Light Industry	0	0	0.00000	0.00	0	0
	Business/Other	208,752,501	5	9.30372	2.46	1,942,175	11
	Managed Forest	0	0	0.00000	0.00	0	0
	Recreation	3,861,000	0	3.65645	0.97	14,118	0
	Farm	0	0	0.00000	0.00	0	0
	<b>Totals</b>		<b>4,372,709,687</b>	<b>100</b>			<b>17,775,395</b>

RECONCILIATION OF ASSESSMENT BASE AND GENERAL PURPOSE TAX LEVY

	Residential	Utilities	Supportive	Major	Light	Business &	Recreational &	Farm	Total
	Class 1	Class 2	Housing Class 3	Industry Class 4	Industry Class 5	Other Class 6	Non-profit Class 8	Class 9	
<b>ASSESSMENT BASE</b>									
2010 Revised Roll	134,512,778,863	172,314,503	70	199,061,000	537,928,601	26,535,493,401	280,501,200	116,889	162,238,194,527
2010 Adjustments	20,396,612	(274,090)	(2)	(516,000)	13,290,700	(40,458,200)	3,101,100	0	(4,459,880)
2010 Supplementary Roll	134,533,175,475	172,040,413	68	198,545,000	551,219,301	26,495,035,201	283,602,300	116,889	162,233,734,647
Share of Assessment Base	82.93%	0.11%	0.00%	0.12%	0.34%	16.33%	0.17%	0.00%	100.00%
2011 Market Change	16,418,545,423	7,886,481	0	(5,578,800)	23,037,299	2,786,072,527	29,909,200	13,767	19,259,885,897
Share of Assessment Base	83.17%	0.10%	0.00%	0.11%	0.32%	16.13%	0.17%	0.00%	100.00%
2011 Non-market Change									
Class Transfers	178,549,234	(1,085,000)	2	(587,100)	34,857,000	(109,711,300)	15,552,300	(9,117)	117,566,019
Other	976,277,798	0	2	0	0	(77,586,504)	(25,702,900)	0	872,988,396
New Construction	1,040,276,802	(1,000)	0	2,761,000	13,062,600	133,776,500	12,000	243	1,189,888,145
	2,195,103,834	(1,086,000)	4	2,173,900	47,919,600	(53,521,304)	(10,138,600)	(8,874)	2,180,442,560
<b>2011 Assessment Base for Tax Rate Calculation</b>	<b>153,146,824,732</b>	<b>178,840,894</b>	<b>72</b>	<b>195,140,100</b>	<b>622,176,200</b>	<b>29,227,586,424</b>	<b>303,372,900</b>	<b>121,782</b>	<b>183,674,063,104</b>
Share of Assessment Base	83.38%	0.10%	0.00%	0.11%	0.34%	15.91%	0.17%	0.00%	100.00%
<b>GENERAL PURPOSE TAX LEVY</b>									
2010 Opening Tax Levy	289,714,968	6,877,237	0	6,101,092	5,256,848	259,315,190	604,146	252	567,869,734
2010 Roll Adjustments	43,930	(10,939)	0	(15,815)	129,882	(395,373)	6,679	0	(241,636)
2010 Adjusted Tax Levy	289,758,899	6,866,298	0	6,085,277	5,386,730	258,919,817	610,825	252	567,628,098
Share of Tax Levy	51.05%	1.21%	0.00%	1.07%	0.95%	45.61%	0.11%	0.00%	100.00%
2011 Non-market Change	2,216,745	(41,405)	0	(18,514)	326,971	(1,656,191)	(19,777)	(18)	807,810
2011 New Construction	1,829,610	(5,869)	0	87,069	122,532	1,133,723	23	0	3,167,089
	4,046,354	(47,275)	0	68,555	449,503	(522,468)	(19,753)	(17)	3,974,899
<b>2011 Base Tax Levy (before tax increase)</b>	<b>293,805,253</b>	<b>6,819,023</b>	<b>0</b>	<b>6,153,832</b>	<b>5,836,233</b>	<b>258,397,349</b>	<b>591,072</b>	<b>235</b>	<b>571,602,997</b>
Share of Tax Levy	51.40%	1.19%	0.00%	1.08%	1.02%	45.21%	0.10%	0.00%	100.00%