



City of Port Moody Report/Recommendation to Council

Date: April 7, 2023
Submitted by: Finance and Technology Department – Financial Services Division
Subject: 2023 Annual Property Tax Rates Bylaw

Purpose

To establish the City of Port Moody Property Tax Rates for the collection of property tax revenues as identified in the City of Port Moody Financial Plan Bylaw, 2023, No. 3403.

Recommended Resolution(s)

THAT City of Port Moody Annual Property Tax Rates Bylaw, 2023, No. 3403 be read a first, second, and third time as recommended in the report dated April 7, 2023, from the Finance and Technology Department – Financial Services Division regarding 2023 Annual Property Tax Rates Bylaw.

Background

Section 165 of the *Community Charter* requires municipalities to annually prepare and adopt a Financial Plan that encompasses the City's operating and capital requirements for a period of five years. Section 197 of the *Community Charter* requires that the municipalities annually adopt a Property Tax Rate Bylaw prior to May 15th of each year to collect and allocate the municipal revenue needed to fund the services Council has approved in their annual Financial Plan.

Council has a revenue policy that generally allocates the approved tax rate increase equally across all property tax classes, recognizing that all property tax classes have financial challenges. Council may, however, shift all or a portion of the tax increase to specific tax classes.

The Major Industry Class (Class 4) contains properties that are legislatively capped at \$27.50/\$1,000 of assessed value by the *Ports Property Tax Act (PPTA)*. The *PPTA* was enacted by the Province to ensure that certain eligible port properties remain competitive in attracting port traffic and business to BC, in recognition of the importance of the BC ports as gateways to the economies of Canada. To encourage the owners of port properties to make investments in the capped port properties, the *PPTA* also requires that the new investments or improvements be phased in to the \$27.50/\$1,000 rate, starting at \$22.50/\$1,000. Improvements made to a capped port property in the current year require the application of the \$22.50/\$1,000 tax rate, which will be depreciated until the legislated \$27.50/\$1,000 rate is reached.

Considered at the April 25, 2023, Regular Council meeting

249

Due to tax class capping, some properties will not receive the Council approved tax increase. In these cases, the increase will remain within the tax class.

Properties in Utility Class 2 have also been legislatively capped by *BC Regulation 329/96* pursuant to section 197 of the *Community Charter* at the greater of \$40.00/\$1,000 of assessed value or 3.28 times the mill rate for Class 6 – Business/Other. The City's mill rate for Class 2 is currently proposed at \$36.4874/\$1,000 of assessed value and is less than the capped rate. Therefore, these properties are not affected by *BC Regulation 329/96* for 2023.

Per section 197 of the *Community Charter*, Council annually must adopt a property tax rate bylaw prior to May 15th of each year to set the tax rates to collect the revenues to fund the services established by Council through the budget process. Section 165 of the *Community Charter* requires that Council adopt Financial Plan Bylaw, 2023, No. 3402 for years 2023 to 2027, prior to the adoption of Annual Property Tax Rates Bylaw, 2023, No. 3403. The tax rates for each of the property tax classes cannot be calculated until the amount of revenue needed from taxation has been identified and approved by Council. It is anticipated that the adoption of Financial Plan Bylaw, 2023, No. 3402 for years 2023-2027 will occur on May 9, 2023.

The 2023 Financial Plan may be subsequently amended by Council as permitted under the *Community Charter*; however, the associated Annual Property Tax Rates Bylaw, 2023, No. 3403 cannot be amended as the rates will be applied to the tax bills for collection of the tax revenues.

The draft Annual Property Tax Rates Bylaw, 2023, No. 3403 is included as **Attachment 1**.

Discussion

The Tax Rate Bylaw sets the tax rates for Municipal levies and Regional District levies. Other levies, collected through municipal tax notices, include School, BC Assessment Authority, Greater Vancouver Transportation Authority (TransLink), and the Municipal Finance Authority.

The 2023 Financial Plan presented for Council's approval shows a total residential property tax increase of 9.26% for the average household assessed at \$1,333,000 for 2023, or \$242 for the year (\$4.65 per week). The total blended residential property charge, which includes property tax and utility levies (Drainage) are estimated at approximately \$2,972 for the average household, an increase of 9.45% over 2022.

The mill rates in the attached Annual Property Tax Rates Bylaw, 2023, No. 3403 are based on the above tax and utility increases as proposed in the 2023 Financial Plan. The following is the breakdown of the 2023 municipal levies:

Municipal Levies	2023
General Government Levy	34,152,587
Police Services	13,769,610
Asset Renewal Levy	4,479,250

Considered at the April 25, 2023, Regular Council meeting

250

Master Transportation Plan Levy	386,000
Fire Hall Levy	458,971
Storm Drainage Levy	2,076,915
Total	55,323,406

The 2022 Basic Home Owner Grant is \$570 and the Seniors Grant is \$845; both remain unchanged from 2022. The property value at which the Home Owner Grant begins to be phased out starts at \$2,125,000. The Grant continues to be phased out at the rate of \$5 of Grant for each additional \$1,000 of assessed value in excess of \$2,125,000. As a result, the Grant will be eliminated for homeowners with a home valued at more than \$2,239,000. This cap is at the higher rate of \$2,294,000 for seniors, those qualifying under the persons with disabilities category, and those in receipt of war veteran allowances.

Starting in 2021, residents no longer apply for the Home Owner Grant through the City. Property owners must apply directly to the province by using a new online system, calling into a provincial call centre, or visiting a Service BC location.

In 2019, the Province implemented an additional school tax, which applies to high-valued residential properties in the province, including detached homes, stratified condominium or townhouse units, and most vacant land. The additional school tax does not apply to non-stratified rental buildings with four or more housing units.

The residential portion of a property's assessed value above \$3 million is affected at the following rates:

- 0.2% on the residential portion assessed between \$3 million and \$4 million; and
- 0.4% tax rate on the residential portion assessed over \$4 million.

The draft City of Port Moody Alternative Municipal Tax Collection Scheme Bylaw, 2023, No. 3404 (to be reviewed by Council in subsequent report titled Alternative Tax Collection Scheme for 2023) includes provision for a property tax due date of July 4, 2023, with a 5% penalty added to outstanding taxes on July 5, 2023. A second 5% penalty will be added to outstanding taxes after September 15, 2023.

Other Option(s)

Council may refer City of Port Moody Annual Property Tax Rates Bylaw, 2023, No. 3403 back to staff for action, recognizing that the Tax Rate Bylaw must be adopted prior to May 15, 2023, as required by section 197 of the *Community Charter*.

Financial Implications

Financial implications are detailed and set out above.

Communications and Civic Engagement Initiatives

General advertisements regarding Council's consideration of the 2023 Annual Property Tax Rate Bylaw were included in the local newspaper. Budget deliberations have been open to the public and information posted and updated on the website.

Considered at the April 25, 2023, Regular Council meeting

251

The 2023 Budget Consultation was facilitated through engage.portmoody.ca, the City's online engagement hub where participants register to learn about the City's financial plans and projects, share ideas, and provide feedback. Between February 28 and March 19, 2023, participants had access to the annual budget survey, budget resource information, FAQs, and could pose questions and comments to staff. 377 individuals completed the online survey and provided feedback or comments for Council members. The results of the public engagement were presented to Council on April 4, 2023.

Council Strategic Plan Objectives

The City has a three-step planning process that starts with the development of Council's Strategic Plan goals and objectives, followed by the development of a staff Work Plan that identifies the tasks needed to achieve the goals and objectives. The Financial Plan supports these plans by aligning financial resources to the strategic priorities of:

- Sustainable Core Services,
- Healthy Community Development,
- Resilient Natural Environment, and
- Vibrant and Prosperous Community.

Attachment(s)

1. Draft City of Port Moody Annual Property Tax Rates Bylaw, 2023, No. 3403.

Report Author

Tyson Ganske, CPA, CGA
Manager of Financial Planning

Considered at the April 25, 2023, Regular Council meeting

252

Report Approval Details

Document Title:	2023 Annual Property Tax Rates Bylaw.docx
Attachments:	- Attachment 1 - Draft City of Port Moody Annual Property Tax Rates Bylaw, 2023, No. 3403.pdf
Final Approval Date:	Apr 17, 2023

This report and all of its attachments were approved and signed as outlined below:

Paul Rockwood, General Manager of Finance and Technology - Apr 14, 2023 - 4:41 PM

Tracey Takahashi, Deputy Corporate Officer, for Stephanie Lam, City Clerk and Manager of Legislative Services - Apr 14, 2023 - 6:00 PM

Lindsay Todd, Manager of Communications and Engagement - Apr 15, 2023 - 7:55 AM

Tim Savoie, City Manager - Apr 17, 2023 - 6:19 AM



City of Port Moody

Bylaw No. 3403

A Bylaw to establish the City of Port Moody Property Tax Rates for 2023.

The Council of the City of Port Moody enacts as follows:

1. Citation

- 1.1 This Bylaw may be cited as “City of Port Moody Annual Property Tax Rates Bylaw, 2023, No. 3403”.

2. Repeal

- 2.1 City of Port Moody Annual Property Tax Rates Bylaw, 2022, No. 3359 and all amendments thereto are hereby repealed.

3. Definitions

- 3.1 In this Bylaw, the following rates are hereby imposed and levied for the year 2023:
 - a) for all lawful general purposes of the municipality on the assessed value of land and improvements taxable for general municipal purposes, the rates appearing in columns “A” (City Services), “B” (Police Services), “C” (Asset Renewal Levy), “D” (Master Transportation Levy), “E” (Firehall No. 1 Replacement Levy), and “F” (Storm Drainage) of Schedule “A” attached to and forming part of this Bylaw; and
 - b) for purposes of the Greater Vancouver Regional District on the assessed value of land and improvements taxable for hospital purposes, the rates appearing in column “G” of Schedule “A” attached to and forming part of this Bylaw.

4. Attachments and Schedules

- 4.1 The following schedule is attached to and forms part of this Bylaw:
 - Schedule “A” – 2023 Tax Rates.

5. Severability

- 5.1 If a portion of this Bylaw is found invalid by a court, it will be severed, and the remainder of the Bylaw will remain in effect.

Considered at the April 25, 2023, Regular Council meeting

254

Read a first time this ___ day of _____, 2023.

Read a second time this ___ day of _____, 2023.

Read a third time this ___ day of _____, 2023.

Adopted this ___ day of _____, 2023.

M. Lahti
Mayor

S. Lam
Corporate Officer

I hereby certify that the above is a true copy of Bylaw No. 3403 of the City of Port Moody.

S. Lam
Corporate Officer

Considered at the April 25, 2023, Regular Council meeting

255

SCHEDULE "A"

2023 Tax Rates (dollars of tax per \$1,000.00 taxable value)

	"A"	"B"	"C"	"D"	"E"	"F"	"G"
CLASS	CITY SERVICES	POLICE SERVICES	ASSET RENEWAL LEVY	MASTER TRANSPORTATION PLAN LEVY	FIREHALL NO.1 REPLACEMENT LEVY	STORM DRAINAGE	REGIONAL DISTRICT
1. Residential	1.37539	0.55453	0.18039	0.01555	0.01848	0.08364	0.05330
2. Utility	22.52463	9.08146	2.95420	0.25458	0.30270	1.36983	0.18660
3. Supportive Housing	1.37539	0.55453	0.18039	0.01555	0.01848	0.08364	0.05330
4. Major Industry	23.39011	9.43040	3.06771	0.26436	0.31434	1.42247	0.18120
4. Major Industry-Port Properties	16.97647	6.84456	2.22654	0.19187	0.22814	1.03242	0.18120
4. Major Industry-Port Properties (New Investment)	13.88984	5.60009	1.82171	0.15699	0.18666	0.84471	0.18120
5. Light Industry	5.33061	2.14919	0.69913	0.06025	0.07164	0.32418	0.18120
6. Business/Other	2.72742	1.09964	0.35771	0.03083	0.03665	0.16587	0.13060
7. Managed Forest Land	4.12618	1.66359	0.54117	0.04664	0.05545	0.25093	0.15990
8. Recreational/Non-Profit	1.16309	0.46893	0.15254	0.01315	0.01563	0.07073	0.05330
9. Farm	1.37539	0.55453	0.18039	0.01555	0.01848	0.08364	0.05330