



City of Port Moody

Report/Recommendation to Council

Date: April 23, 2024
Submitted by: Finance and Technology Department – Financial Services Division
Subject: 2024 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, 2024, No. 3453.

Recommended Resolution(s)

THAT City of Port Moody Annual Property Tax Rates Bylaw, 2024, No. 3453 be read a first, second, and third time as recommended in the report dated April 23, 2024, from the Finance and Technology Department – Financial Services Division regarding 2024 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.

Section 165 of the *Community Charter* requires that Council adopt Financial Plan Bylaw, 2024, No. 3452 for years 2024 to 2028, prior to the adoption of Annual Property Tax Rates Bylaw, 2024, No. 3453. 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, 2024, No. 3452 for years 2024-2028 will occur on May 14, 2024.

The 2024 Financial Plan may be subsequently amended by Council as permitted under the *Community Charter*; however, the associated Annual Property Tax Rates Bylaw, 2024, No. 3453 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, 2024, No. 3453 is included as **Attachment 1**.

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.

Tax Class Capping

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.

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 \$35.93634/\$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.

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 2024 Financial Plan presented for Council's approval shows a total residential property tax increase of 6.9% for the average household assessed at \$1.27 million for 2024, or \$189 for the year (\$3.60 per week). The total blended residential property charge, which includes property tax and utility levies (Drainage) are estimated at approximately \$3,034 for the average household, an increase of 6.7% over 2023.

The mill rates in the attached Annual Property Tax Rates Bylaw, 2024, No. 3453 are based on the above tax and utility increases as proposed in the 2024 Financial Plan. The following is the breakdown of the 2024 municipal levies:

Municipal Levies		2024
General Government Levy		37,561,436
Police Services		14,879,676
Asset Renewal Levy		5,011,306
Master Transportation Plan Levy		386,084
Fire Hall Levy		536,853
Storm Drainage Levy		2,161,330
Total		60,536,685

The 2024 Basic Home Owner Grant is \$570 and the Seniors Grant is \$845; both remain unchanged from 2023. The property value at which the Home Owner Grant begins to be phased out starts at \$2,150,000. 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 \$2,150,000. As a result, the Grant will be eliminated for homeowners with a home valued at more than \$2,264,000. This cap is at the higher rate of \$2,319,000 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 their 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, 2024, No. 3454 (to be reviewed by Council in subsequent report titled Alternative Tax Collection Scheme for 2024) includes provision for a property tax due date of July 2, 2024, with a 5% penalty added to outstanding taxes on July 3, 2024. A second 5% penalty will be added to outstanding taxes after September 16, 2024.

Other Option(s)

Council may refer City of Port Moody Annual Property Tax Rates Bylaw, 2024, No. 3453 back to staff for action, recognizing that the Tax Rate Bylaw must be adopted prior to May 15, 2024, as required by section 197 of the *Community Charter*.

Financial Implications

Financial implications are detailed and set out above.

Communications and Civic Engagement Initiatives

Notification of Council's consideration of the 2024 Tax Rates Bylaw was provided in accordance with the City of Port Moody Public Notice Bylaw, 2023, No. 3430. Budget deliberations have been open to the public and information posted and updated on the website.

The 2024 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 January 8 and January 28, 2024, participants had access to the annual budget survey, budget resource information, FAQs, and could pose questions and comments to staff. 409 individuals completed the online survey and 207 (50.6%) individuals provided feedback or comments for Council members. The results from the public consultation undertaken for the 2024-2028 Five-Year Financial Plan were presented to the Finance Committee on February 20, 2024.

Council Strategic Plan Objectives

The recommendations in this report align with the following Council Strategic Plan Goal(s):

- Strategic Goal 1.2 – Ensure Financial Sustainability.

Attachment(s)

1. Draft City of Port Moody Annual Property Tax Rates Bylaw, 2024, No. 3453.

Report Author

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Report Approval Details

Document Title:	2024 Tax Rates Bylaw.docx
Attachments:	- Attachment 1 - Draft City of Port Moody Annual Property Tax Rates Bylaw, 2024, No. 3452.pdf
Final Approval Date:	Apr 15, 2024

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

Tyson Ganske, Manager of Financial Planning - Apr 11, 2024

Paul Rockwood, General Manager of Finance and Technology - Apr 11, 2024

Tracey Takahashi, Deputy Corporate Officer, for Stephanie Lam, City Clerk and Manager of Legislative Services - Apr 11, 2024

Lindsay Todd, Manager of Communications and Engagement - Apr 11, 2024

Anna Mathewson, City Manager - Apr 15, 2024