



# City of Port Moody

## Report/Recommendation to Council

Date: May 1, 2020  
Submitted by: Finance and Technology Department – Financial Services Division  
Subject: 2020 Property Tax Rates Bylaw

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### Purpose

To establish the City of Port Moody Property Tax Rates for the collection of property tax revenues as identified in the 2020-2024 Financial Plan.

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### Recommended Resolution(s)

**THAT City of Port Moody Annual Property Tax Rates Bylaw, 2020, No. 3249 be read a first, second, and third time as recommended in the report dated May 1, 2020 from the Finance and Technology Department – Financial Services Division regarding 2020 Property Tax Rates Bylaw;**

**AND THAT, as permitted by section 12 of Ministerial Order No. MO 139/2020, City of Port Moody Annual Property Tax Rates Bylaw, 2020, No. 3249 be now adopted.**

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### 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 15<sup>th</sup> 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. There were improvements made to a capped port property in the current year that 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.

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 \$34.6184/\$1,000 of assessed value and is less than the capped rate. Therefore, these properties are not affected by BC Regulation 329/96 for 2020.

Per section 197 of the *Community Charter*, Council annually must adopt a property tax rate bylaw prior to May 15<sup>th</sup> 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, 2020, No. 3248 for years 2020 to 2024, prior to the adoption of Annual Property Tax Rates Bylaw, 2020, No. 3249. 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, 2020, No. 3248 for years 2020-2024 will occur at the May 12, 2020 Special Council meeting.

The 2020 Financial Plan may be subsequently amended by Council as permitted under the *Community Charter*, however, the associated Annual Property Tax Rates Bylaw, 2020, No. 3249 cannot be amended as the rates will be applied to the tax bills for collection of the tax revenues.

Draft Annual Property Tax Rates Bylaw, 2020, No. 3249 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 2020 Financial Plan presented for Council's approval shows a total residential property tax increase of 1.61% for the average household assessed at \$942,000 for 2020, or \$38 for the year (\$0.73 per week). The total blended residential property charge, which includes property tax and utility levies, including Drainage, are estimated at approximately \$3,700 for the average household.

The mill rates in the attached Annual Property Tax Rates Bylaw, 2020, No. 3249 are based on the above tax and utility increases as proposed in the 2020 Financial Plan. The following is the breakdown of the 2020 municipal levies:

<b>Municipal Levies</b>	<b>2020</b>
General Government Levy	\$29,175,000
Police Services	\$11,312,000
Asset Renewal Levy	\$3,035,000
Master Transportation Plan Levy	\$386,000
Fire Hall Levy	\$459,000
Storm Drainage Levy	\$1,658,000
<b>Total</b>	<b>\$46,025,000</b>

The 2020 Basic Home Owner Grant is \$570 and the Seniors Grant is \$845; both remain unchanged from 2019. The property value at which the Home Owner Grant begins to be phased out starts at \$1,525,000. 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 \$1,525,000. As a result, the Grant will be eliminated for homeowners with a home valued at more than \$1,639,000. This cap is at the higher rate of \$1,694,000 for seniors, those qualifying under the persons with disabilities category, and those in receipt of war veteran allowances.

In 2019, the Province has also allocated 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.

For 2020, in response to the COVID19 pandemic, the Province has reduced the school tax for the business classes (Classes 4, 5, 6, 7, 8) by 50%.

### Other Option(s)

Council may refer City of Port Moody Annual Property Tax Rates Bylaw, 2020, No. 3249 back to staff for further information, recognizing that the Tax Rate Bylaw must be adopted prior to May 15, 2020 as required by section 197 of the *Community Charter*.

### Financial Implications

Financial implications are as detailed and set out above.

## Communications and Civic Engagement Initiatives

General advertisements for the 2020 Property Tax Rates Bylaw were included in the local newspaper. Budget deliberations were open to the public and resulting information was posted and updated on the website. Council undertook a variety of community engagement initiatives to elicit feedback on desired service levels, including public consultation that included a town hall meeting and an online and paper survey.

## Council Strategic Plan Objectives

The Financial Plan and corresponding Property Tax Rates Bylaw support the entire Strategic Plan by aligning financial resources to the strategic priorities of Exceptional Service, Environmental Leadership, Healthy City, Economic Prosperity, and Community Evolution.

## Attachment(s)

1. Draft City of Port Moody Annual Property Tax Rates Bylaw, 2020, No. 3249.

## Report Author

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## Report Approval Details

Document Title:	2020 Tax Rates.docx
Attachments:	- Attachment 1 - Draft City of Port Moody Annual Property Tax Rates Bylaw, 2020, No. 3249.pdf
Final Approval Date:	May 4, 2020

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

Dorothy Shermer, Corporate Officer - May 3, 2020 - 12:12 PM

Rosemary Lodge, Manager of Communications and Engagement - May 4, 2020 - 12:08 PM

Paul Rockwood, General Manager of Finance and Technology - May 4, 2020 - 12:26 PM

Tim Savoie, City Manager - May 4, 2020 - 1:49 PM