

Staff Report to Council

Financial Services

FILE: 05-1900-01/24

REPORT DATE: April 22, 2024

MEETING DATE:

April 30, 2024

TO: Mayor and Council

FROM: Laura Barroetavena, Director of Financial Services

SUBJECT: 2024 Annual Tax Rates Bylaw

CHIEF ADMINISTRATIVE OFFICER REVIEW/APPROVAL:



RECOMMENDATION(S):

THAT Council:

- A. Grant first, second and third readings to the 2024 Annual Tax Rates Bylaw No. 2980, 2024; OR
- B. Other.

PURPOSE

To receive Council approval to set the 2024 property tax rates.

☐ Information Report

☒ Decision Report

☐ Direction Report

DISCUSSION

Background:

Each year, after the adoption of the financial plan, Council must, by bylaw, impose property value taxes for the year by establishing tax rates for:

- a) the municipal revenue proposed to be raised for the year from property value taxes, as provided in the financial plan, and

- b) the amounts to be collected for the year by means of rates established by the municipality to meet its taxing obligations in relation to another local government or other public body.

Relevant Policy, Bylaw or Legislation:

The *Community Charter* requires the City to have a Revenue and Taxation Policy to disclose the City's objectives for the collection of revenues, including taxation. The *Community Charter*, section 197 (1) requires the annual property tax bylaw be adopted before May 15, 2024.

Analysis:

The budget for property taxation revenue of \$31,897,610 is included within the Municipal Property and Other Taxes and the budget for drainage levy mill rate revenue of \$1,067,700 is included within the Utility Charges in Schedule A of the adopted 2024 Financial Plan Bylaw (Attachment A), representing revenue needed for the City to pay for its operating and capital costs.

The 2024 Annual Tax Rates Bylaw sets the taxation mill rates and provides staff with the authority to collect the property tax revenue required to balance the budget. The tax rates bylaw sets the tax rates for Municipal levies and the Metro Vancouver Regional District. The levies collected through municipal tax notices also include levies which are collected by the City and remitted in full to outside agencies such as to the Province (Schools), BC Assessment Authority (BCA), Greater Vancouver Transportation Authority (TransLink) and the Municipal Finance Authority.

Before the taxation mill rates could be calculated and established by bylaw, the revised roll from BC Assessment Authority and the Metro Vancouver Regional District levy for 2024 were required, both of which have been recently received. As a result, staff have prepared the 2024 Annual Tax Rates Bylaw No. 2980, 2024 (Attachment B) for Council adoption.

Once Council has adopted the 2024 Annual Tax Rates Bylaw No. 2980, 2024, staff will prepare and mail the property tax notices. The notices are scheduled to be mailed the last week of May 2024 and taxes will be due on July 2, 2024.

Taxes paid past the due date are subject to penalty charges, as required under the *Community Charter*. The total penalty charge is 10%, applied in two phases, first 5% applied immediately after the due date and the second 5% penalty 30 days later.

2024 Fire Service Enhancements

The 2024 Fire Service Enhancements levy for the approved cost of four additional full-time flex fire fighters results in the Fire Levy mill rates as displayed within the Annual Tax Rates Bylaw Column B (Attachment B). Consistent with recent years, any incremental Fire levy will appear separately on the tax notice.

Relationship between Assessment Values and Taxation Mill Rates

It is often misunderstood that the annual increase to assessed values translates into revenue windfalls for municipalities. However, this is not the case. There is a relationship between assessed values and taxation mill rates (Mill Rate), where an increase in assessed values from one year to another results in a reduced Mill Rate. This adjustment to the Mill Rate ensures the City does not receive increased tax revenue simply because the assessed value or market value of properties rise.

After the Mill Rate has been adjusted to accommodate market value changes, it is increased to reflect the council approved tax increase to balance the budget.

2024 Property Tax Pre-Payment Plan

In order to assist property owners to save for their 2025 property tax bill, the City offers a monthly pre-payment plan to spread the estimated property tax bill over 10 monthly pre-payments from August to May. Enrollment information is available on the City's website under "Property Taxes: Tax Pre-Payment Plan". There are approximately 843 registrants or 11% of Pitt Meadows property owners in this program.

Provincial Government Administered Programs

Home Owner Grant

As of 2021 residents in municipalities no longer apply for the home owner grant through their municipality. Everyone now applies online or by phone directly to the province. Home owners have the option of visiting the Provincial Home Owner Grant Administration website at gov.bc.ca/homeownergrant or contacting their office at 1-888-355-2700 to claim the grant. Homeowner grant applications are required each year with this year's deadline for application being July 2, 2024 in order to avoid penalty.

Property Tax Deferment

Each year, property owners 55 years of age or over or a person with disabilities who live in their home, or a qualifying homeowner who is financially supporting a dependent child under the age of 18 have the option of applying for the property tax deferment program through the province. This is a low interest loan program to help homeowners pay their property taxes on their principle residence. Full details are available online through the province or by calling 1-855-355-2700. In 2023, approximately 343 Pitt Meadows property owners deferred their property taxes.

COUNCIL STRATEGIC PLAN ALIGNMENT

- ☐ Principled Governance ☐ Balanced Economic Prosperity ☐ Infrastructure
☐ Community Spirit & Wellbeing ☒ Corporate Pride ☐ Public Safety
☐ Not Applicable

The annual tax rates bylaw will generate the revenue to support the Council adopted 2024 5 year financial plan bylaw as needed to maintain an appropriate balance of taxes and service levels provided by the City of Pitt Meadows.

WORKPLAN IMPLICATIONS

- ☒ Already accounted for in department workplan / no adjustments required
☐ Emergent issue / will require deferral of other priority(ies)
☐ Other

FINANCIAL IMPLICATIONS

- ☐ None ☒ Budget Previously Approved ☐ Referral to Business Planning
☐ Other

The average single family home experiencing the 0.18% average residential decrease from the 2023 assessment value of \$1,193,494 will see a \$469 combined municipal property tax and utility increase.

PUBLIC PARTICIPATION

- ☒ Inform ☐ Consult ☐ Involve ☐ Collaborate ☐ Empower

Comment(s):

The annual tax rates bylaw supports the revenue collection needed for the City to pay its operating and capital costs as developed throughout the business planning process which provided opportunities for public comment and feedback.

KATZIE FIRST NATION CONSIDERATIONS

- Referral ☐ Yes ☒ No ☐ Other

SIGN-OFFS**Written by:**

Laura Barroetavena,
Director of Financial Services

Mark Roberts,
Chief Administrative Officer

ATTACHMENT(S):

- A. Schedule "A" from the 2024-2028 Financial Plan Bylaw No. 2979, 2024.
- B. 2024 Annual Tax Rates Bylaw No. 2980, 2024