

**COUNCIL REPORT**

**To:** Mayor and Council  
**From:** Finance  
**Date:** April 17, 2024  
**Subject:** 2024 Property Tax Revenues and Tax Rates

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**RECOMMENDATION:**

THAT Council receives this report for information.

**BACKGROUND:**

In accordance with Sections 165 and 197 of the *Community Charter*, the District's five-year financial plan and tax rate bylaws must be adopted on or before May 15, 2024.

The 2024 Provisional Operating and Capital Budgets, which inform the five-year financial plan and determine the tax rates, were approved at the February 26, 2024 Council Meeting. The municipal tax revenue approved during the provisional budget process was an overall 8.29%, or \$449,969 increase from 2023, inclusive of all property classes. The increase was related to the following items:

- Reduction of contribution from the Financial Stability Reserve from \$206,489 in 2023 to \$103,244 in 2024 – funded loss from the mill closure in 2022 with the intention of reducing the amount funded by the reserve each subsequent year to keep funds for any future economic instability
- Focus on maintaining services and service levels
- Increase operational costs for utilities, insurance, consumables, collective agreement
- Capital Renewal Levy – amount equal to 2% of property tax revenue, compounded annually

2024 Levy	\$103,000
Budgeted Amount	<u>\$432,808</u>
	\$532,808 contribution to Capital Renewal Reserve

BC Assessment (BCAA) provided the 2024 revised property assessment roll on March 31, 2024, which provided a slight change to the property assessment values and resulted in a decrease in property tax revenue of \$1,031. Additional grant funding was confirmed, as well as an increase in return on investments which covered the increased cost for the Mackenzie Public Library annual transfer (approved at April 8<sup>th</sup> council meeting), additional operating expenses, transfers to

reserves and allowed a small surplus that can be used for unexpected operational costs in the current fiscal year.

The following table shows the breakdown of the municipal tax revenue per property class:

Property Class	2024 Municipal Tax Revenue	2023 Municipal Tax Revenue	Tax increase/decrease per property class	% of increase/decrease
1 - Residential	2,007,426	1,838,287	169,139	9.20%
2 - Utilities	908,832	873,474	35,358	4.05%
4 - Major Industry	2,059,512	1,889,460	170,052	9.00%
5 - Light Industry	296,722	272,222	24,500	9.00%
6 - Business & Other	604,221	554,332	49,889	9.00%
8 - Recreation Property, Non Profit	214	196	18	9.00%
	<b>5,876,927</b>	<b>5,427,971</b>	<b>448,956</b>	<b>8.27%</b>

\*These figures do not include collection of taxes for other governments

The 2024 BC Assessment revised roll shows an overall increase to property assessments in Mackenzie. The following table provides a breakdown of the assessment changes per property class:

Property Class	2024 Revised Roll Assessed Value	2023 Assessed Value	Increase/Decrease in Assessed Value	% of increase per property class
1 - Residential	278,237,400	260,030,700	18,206,700	7.00%
2 - Utilities	23,733,830	22,351,035	1,382,795	6.19%
4 - Major Industry	40,377,100	38,248,800	2,128,300	5.56%
5 - Light Industry	11,409,900	11,175,100	234,800	2.10%
6 - Business & Other	66,440,800	62,703,650	3,737,150	5.96%
8 - Recreation Property, Non Profit	34,500	34,500	-	0.00%
	<b>420,233,530</b>	<b>394,543,785</b>	<b>25,689,745</b>	<b>6.51%</b>

As assessment values increase, tax rates will decrease to collect the same amount of tax revenue as the prior year. Furthermore, if assessment values decrease, then tax rates will increase to collect the same amount of tax revenue as the prior year. If a tax revenue increase is proposed, the tax rate will increase but not at the same percentage of additional tax revenue collected. The table shows the municipal tax rate increase/decrease per property class:

Property Class	2024 Municipal Tax Rate	2023 Municipal Tax Rate	% of increase/decrease
1 - Residential	7.2148	7.0695	2.06%
2 - Utilities	38.2927	39.0798	(2.01)%
4 - Major Industry	51.0069	49.3992	3.25%
5 - Light Industry	26.0057	24.3597	6.76%
6 - Business & Other	9.0941	8.8405	2.87%
8 - Recreation Property, Non Profit	6.2046	5.6923	9.00%

The table below shows the increase on a residential property with an average assessment value of \$165,200 in 2024 compared to the average assessment value of \$154,321 in 2023:

	<b>2024</b>	<b>2023</b>	<b>Increase</b>
Property Tax	\$1,191.88	\$1,090.97	\$100.91
Water*	\$457.11	\$408.13	\$48.98
Sewer*	\$290.54	\$266.55	\$23.99
Garbage*	\$199.75	\$187.56	\$12.19
<b>Total</b>	<b>\$2,139.28</b>	<b>\$1,953.21</b>	<b>\$186.07</b>

\*Rates based on fee schedules found in water, sewer and garbage bylaw. Garbage rate based on weekly service.

The approximate increased cost per month for the average assessed residential property is \$15.50. If a residential property assessment value is above the average and saw a larger assessment increase than the average, then the homeowner can expect to pay a higher value per month. If a residential property assessment value is lower than the average and saw a lower assessment increase than the average, then the homeowner can expect to pay a lower value per month.

The Regional District tax rates are included in the Property Tax Rate Bylaw as follows:

- For 2024 the Tax Levy requisition for the Regional District of Fraser-Fort George is \$350,487 which is an increase of \$24,910 (2023 - \$325,577).
- For 2024 the Tax Levy requisition for the Fraser-Fort George Regional Hospital District is \$529,100 which is an increase of \$30,476 (2023 - \$498,624).

#### **NEXT STEPS:**

Once all the tax rates are received for the other tax jurisdictions, staff will implement the tax rates procedures and prepare the tax notices.

A copy of both the proposed 2024-2028 Financial Plan Bylaw and the Tax Rate Bylaw have been included in this agenda for Council's consideration.



**COUNCIL PRIORITY:**

**Strong Governance and Finances**

- As the municipality's elected governing body, we serve all residents and businesses in the community. We engage residents and stakeholders on important issues and make our decisions through open and transparent processes. We are careful in our use of resources, mindful of the need to maintain programs and services, while also meeting the community's infrastructure needs.

**RESPECTFULLY SUBMITTED:**

Kerri Borne, Chief Financial Officer

**Reviewed By:** Corporate Services

**Approved By:** Chief Administrative Officer