

COUNCIL REPORT

To: Mayor and Council

From: Finance

Date: April 23, 2025

Subject: 2025 Property Tax Revenues and Tax Rates

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, 2025.

The 2025 Provisional Operating and Capital Budgets, which inform the five-year financial plan and determine the tax rates, were approved at the March 10, 2025 Council Meeting. The municipal tax revenue approved during the provisional budget process was an overall decrease of 18.2%, or \$1,069,601 revenue decrease from 2024, inclusive of all property classes. The decrease was related to the following items:

- Reduction of assessed property values in Class 4 (Major Industry) and Class 5 (Light Industry), and an increase in Class 6 (Business & Other) due to application and approval of closure allowance through BC Assessment. Resulted in an overall estimated tax revenue loss of \$1,505,918.
- Increase operational costs for utilities, insurance, consumables, collective agreement
- Capital Renewal Levy – amount equal to 2% of property tax revenue, compounded annually

2025 Levy	\$ 87,412
Budgeted Amount	<u>\$532,849</u>
	\$623,261 contribution to Capital Renewal Reserve

BC Assessment (BCAA) provided the 2025 revised property assessment roll on March 31, 2025, which provided a slight change to the property assessment values and resulted in a decrease in property tax revenue of \$368.

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

Property Class	2025 Municipal Tax Revenue	2024 Municipal Tax Revenue	Tax increase/decrease per property class	% of increase/decrease
1 - Residential	2,208,065	2,007,426	200,639	9.99%
2 - Utilities	999,026	908,832	90,194	9.92%
4 - Major Industry	329,380	2,059,512	(1,730,132)	(84.01)%
5 - Light Industry	267,612	296,722	(29,110)	(9.81)%
6 - Business & Other	1,002,996	604,221	398,775	66.00%
8 - Recreation Property, Non Profit	247	214	33	15.62%
	4,807,326	5,876,927	(1,069,601)	(18.20)%

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

The 2025 BC Assessment revised roll shows a slight overall decrease to property assessments in Mackenzie. The following table provides a breakdown of the assessment changes per property class:

Class	2025 Revised Roll Assessed Value	2024 Assessed Value	Increase/Decrease in Assessed Value	% of increase per property class
1 - Residential	276,082,400	278,237,400	(2,155,000)	(0.77)%
2 - Utilities	25,353,000	23,733,830	1,619,170	6.82%
4 - Major Industry	5,870,500	40,377,100	(34,506,600)	(85.46)%
5 - Light Industry	9,355,000	11,409,900	(2,054,900)	(18.01)%
6 - Business & Other	100,264,400	66,440,800	33,823,600	50.91%
8 - Recreation Property, Non Profit	36,200	34,500	1,700	4.93%
	416,961,500	420,233,530	(3,272,030)	(0.78)%

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	2025 Municipal Tax Rate	2024 Municipal Tax Rate	% of increase/decrease
1 - Residential	7.9978	7.2148	10.85%
2 - Utilities	39.4047	38.2927	2.90%
4 - Major Industry	56.1076	51.0069	10.00%
5 - Light Industry	28.6063	26.0057	10.00%
6 - Business & Other	10.0035	9.0941	10.00%
8 - Recreation Property, Non Profit	6.8250	6.2046	10.00%

The table below shows the increase on a residential property with an average assessment value of \$164,900 in 2025 compared to the average assessment value of \$165,200 in 2024. The values do not include collections for other agencies that are shown on the property tax notice (ex.

school, police, regional district, hospital, BC assessment authority and municipal finance authority).

	2025	2024	Increase
Municipal Property Tax	\$1,318.84	\$1,191.88	\$126.96
Water*	\$511.96	\$457.11	\$54.85
Sewer*	\$319.59	\$290.54	\$29.05
Garbage*	\$212.73	\$199.75	\$12.98
Total	\$2,363.12	\$2,139.28	\$223.84

*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 \$18.65. 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 2025 the Tax Levy requisition for the Regional District of Fraser-Fort George is \$326,741 which is a decrease of \$23,746 (2024 - \$350,487).
- For 2025 the Tax Levy requisition for the Fraser-Fort George Regional Hospital District is \$497,835 which is a decrease of \$31,265 (2024 - \$529,100).

Comparison with other Municipalities

In previous years staff have shared the Province of BC's municipal taxes dataset to show where the District has fallen in comparison to other communities with residential property taxes. These datasets are compiled following the submission of each municipality's required data reporting to the Province in May each year. In 2024, the District of Mackenzie was 11th lowest overall in the Province out of 159 municipalities for Total Residential Property Taxes and Charges, and 38th lowest for General Municipal Taxes only (see attachments). The 2025 dataset will be out in the fall on the Province of BC website.

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 2025-2029 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