

COUNCIL REPORT

To: Mayor and Council

From: Finance

Date: April 19, 2023

Subject: 2023 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 12, 2023.

The 2023 Provisional Operating and Capital Budgets, which inform the five-year financial plan and determine the tax rates, were approved at the February 13, 2023 Council Meeting. The municipal tax revenue increase approved during the provisional budget process was an overall 6.47% inclusive of all property classes. Within the 6.7% municipal tax revenue increase from 2022, was 1.57% (\$81,000) that directly related to Class 6 – Business & Other increased assessment value of \$9.7M due to new construction.

After BC Assessment Authority (BCAA) provided the 2023 revised property assessment roll on March 31, 2023, additional funding sources were confirmed, and an increase of 8% to Class 1 – Residential property taxes was approved. The suggested municipal tax revenue increased \$33,437 from the provisional budget of \$5,398,523 to the final budget of \$5,431,960.

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

Property Class	2023 Municipal Tax Revenue	2022 Municipal Tax Revenue	Tax increase/decrease per property class	% of increase/decrease
1 - Residential	1,839,890	1,701,563	138,327	8.13%
2 - Utilities	873,474	856,348	17,126	2.00%
4 - Major Industry	1,889,461	1,808,097	81,364	4.50%
5 - Light Industry	272,222	258,030	14,192	5.50%
6 - Business & Other	556,716	444,234	112,482	25.32%
8 - Recreation Property, Non Profit	196	185	11	5.95%
Total	5,431,959	5,068,457	363,502	

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

Overall, property assessments in Mackenzie increased by 6.43%. Residential assessments saw an increase of 3.97%. The average residential assessed value for 2023 is \$157,126, an increase of \$6,000 from the 2022 average assessed value of \$151,126. The following table provides a breakdown of the changes per property class:

Property Class	2023 Assessed Value	2022 Assessed Value	Increase/decrease in Assessed Value	% of increase/decrease per property class
1 - Residential	260,257,000	250,023,400	10,233,600	4.09%
2 - Utilities	22,351,035	21,691,650	659,385	3.04%
4 - Major Industry	38,248,800	37,389,900	858,900	(33.58)%
5 - Light Industry	11,175,100	10,726,000	449,100	4.19%
6 - Business & Other	62,973,650	51,301,550	11,672,100	22.75%
8 - Recreation Property, Non Profit	34,500	32,300	2,200	6.81%
Total	395,040,085	371,164,800	23,875,285	6.43%

The table below shows the increase/decrease in municipal tax rate per property class:

Property Class	2023 Municipal Tax Rate	2022 Municipal Tax Rate	% of increase/decrease
1 - Residential	7.0695	6.8056	3.88%
2 - Utilities	39.0798	39.4782	(1.01)%
4 - Major Industry	49.3992	48.3579	2.15%
5 - Light Industry	24.3597	24.0565	1.26%
6 - Business & Other	8.8405	8.6593	2.09%
8 - Recreation Property, Non Profit	5.6923	5.7359	(0.76)%

The table below shows the increase on a residential property with an average assessment value of \$157,126 in 2023 compared to the average assessment value of \$151,126 in 2022:

Taxes	2023	2022	Increase
Property Tax	\$1,110.80	\$1,028.50	\$82.30
Water*	\$408.13	\$381.43	\$26.70
Sewer*	\$266.55	\$249.11	\$17.44
Garbage*	\$187.56	\$175.32	\$12.24
Total	\$1,973.04	\$1,834.36	\$138.68

*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 \$11.56. 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 2023 the Tax Levy requisition for the Regional District of Fraser-Fort George is \$325,577 which is a decrease of \$4,397 (2022 - \$329,974).
- For 2023 the Tax Levy requisition for the Fraser-Fort George Regional Hospital District is \$498,624 which is an increase of \$65,307 (2022 - \$433,317).

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 2023-2027 Financial Plan Bylaw and the Tax Rate Bylaw have been included in this agenda for Council's consideration.

COUNCIL PRIORITY:

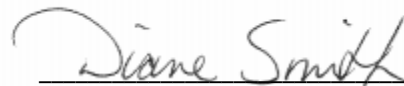
Strong Governance and Finances

- 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



Approved for Submission to Council