

Memo



To: Committee of the Whole
From: Financial Services
Date: 2019-10-07
Subject: Property Owner Tax Concerns

Background

On August 12 the Committee of the Whole received a presentation from a resident of the municipality illustrating how his property taxes have increased over the last several years. During that meeting, several other taxpayers also voiced their concerns about tax levies and the long-term viability of living within the City.

Staff has been requested to analyze the property tax data for those residents who were present at the COTW with a view to gaining a clearer portrayal of municipal tax impacts compared to those of other taxing authorities.

Staff has prepared a series of graphs for several properties, including those of taxpayers present at the COTW and some randomly selected properties in different areas of the City. Three graphs with data from 2010 to 2019 are provided for each property which depict the following:

- the actual assessed values compared to an assessed valued reflective of the overall residential market increase
- the gross annual tax amounts shown separately as the municipal levy, parcel taxes, and taxes assessed by other taxing authorities (RDKB, Hospital, School, Police, Municipal Finance Authority and BC Assessment).
- the amount of tax increase from year to year segregated into the portions attributable to a) increase in assessed value above market, b) increase in municipal revenue and parcel taxes and c) increase in taxes collected by other authorities.

Some additional graphs have been provided which show the breakdown of municipal tax levies by property class (in dollar amounts and percentages) and annual tax increases for the years 2010 to 2019.




These graphs are attached here as additional background information for further discussion by the COTW.

Benefits or Impacts

General

Property taxation is one of the main sources of revenue for the City. The amount of revenue required from taxation is determined annually through the financial planning process and used in the calculation of tax rates.

Strategic Impact

-  Annual property tax revenues should be sufficient to provide for asset renewal and replacement in addition to covering ongoing operational and debt financing costs. Additionally, tax rates should be competitive in order to ensure continued investment in the community.
-  The data presented here has been prepared in response to concerns raised by residents at the August 12th COTW meeting.
-  Certain property owners have voiced concerns that sustained increases in property taxation will deter them from continuing to reside in the City.

Policy/Legislation

Community Charter Sections 165, 192 & 197
Asset Management Financial Policy 808
City of Grand Forks annual five-year financial plan bylaws

Attachments

Graphs of municipal tax revenues and sample individual residential assessments and tax levies.