



City of Richmond

Report to Committee

To: Finance Committee
From: Mike Ching
Director, Finance
Date: April 4, 2024
File: 03-1240-01/2024-Vol
01
Re: Annual Property Tax Rates (2024) Bylaw No. 10547

Staff Recommendation

That the Annual Property Tax Rates (2024) Bylaw No. 10547 be introduced and given first, second and third readings.

Mike Ching
Director, Finance
(604-276-4137)

Att. 1

| REPORT CONCURRENCE | |
|------------------------------------|---------------|
| CONCURRENCE OF GENERAL MANAGER | |
| SENIOR STAFF REPORT REVIEW | INITIALS: |
| APPROVED BY CAO | |

Staff Report

Origin

Section 197 of the *Community Charter* requires municipalities to establish property tax rates for the current year on the basis of the assessed values after the adoption of the Consolidated 5 Year Financial Plan and before May 15th. Council must, under subsection 197(3.1), consider the tax distribution to each assessment class, in conjunction with the objectives and policies set out in the City's financial plan, prior to adopting the tax rate bylaw.

This report supports Council's Strategic Plan 2022-2026 Focus Area #4 Responsible Financial Management and Governance:

Responsible financial management and efficient use of public resources to meet the needs of the community.

4.1 Ensure effective financial planning to support a sustainable future for the City.

4.3 Foster community trust through open, transparent and accountable budgeting practices and processes.

Analysis

Under the *Community Charter*, all municipalities in BC are required to calculate tax rates based on the Revised Roll totals provided by BC Assessment. Assessment values in the Revised Roll reflect the market condition as of July 1st of the preceding year. The assessment figures are comprised of market values for existing properties and values for new properties (new growth) for 2024.

Tables 1 and 1.1 provide comparisons of 2023 to 2024 and 2022 to 2023 market value changes and new growth respectively. Market value changes reflect the market price of existing properties from year to year, while new growth is the term used for new developments, property shifts between assessment classes, and any new exemptions.

New developments add taxable value to the class while new exemptions reduce the value to the class. Large multi-year developments may add new growth to the Revised Roll for each year the project is in construction. The new growth value is determined by the percentage of project completed and valued in the current year, less the value reported in the preceding year.

Table 1: Assessment Values 2023 to 2024

| Property Class | 2023 Total Assessment 1 | 2024 Market Value Change 2 | 2024 New Growth and Re-Class 3 | 2024 Total Assessment 4 | % Market Value Change 5 |
|----------------------------------|----------------------------|-------------------------------|-----------------------------------|----------------------------|----------------------------|
| Class 01 - Residential | \$ 101,623,264,111 | \$ 2,546,751,811 | \$ 1,504,491,263 | \$ 105,674,507,185 | 2.51% |
| Class 02 - Utility | 47,852,025 | 3,896,205 | 493,730 | 52,241,960 | 8.14% |
| Class 03 - Supportive Housing | 20 | 0 | 0 | 20 | - |
| Class 04 - Major Industry | 528,312,800 | 77,130,000 | 1,457,400 | 606,900,200 | 14.60% |
| Class 05 - Light Industry | 6,737,965,300 | 662,573,200 | 45,423,900 | 7,445,962,400 | 9.83% |
| Class 06 - Business/Other | 26,755,530,241 | 713,254,247 | 339,821,415 | 27,808,605,903 | 2.67% |
| Class 08 - Recreation/Non-Profit | 440,868,800 | (49,939,100) | (7,647,200) | 383,282,500 | -11.33% |
| Class 09 - Farm | 25,544,898 | 738,927 | (697,789) | 25,586,036 | 2.89% |
| Total | \$ 136,159,338,195 | \$ 3,954,405,290 | \$ 1,883,342,719 | \$ 141,997,086,204 | 2.90% |

¹2023 property assessment values provided by BC Assessment are based on the state and condition of 88,031 properties as of July 1, 2022.

²Current year's market value change of the same 88,031 properties from 2023 to 2024.

³New growth is the term used for new developments, new exemptions and any re-classed properties. Re-class refers to property shifts between assessment classes. In 2024, 972 new folios were created due to new growth.

⁴The 2024 total assessment values provided by BC Assessment are based on the state and condition of 89,003 properties as of July 1, 2023.

⁵Percentage increase based on market value change of the existing properties from 2023 to 2024 (percentage change of column (2) from column (1)).

Table 1.1: Assessment Values 2022 to 2023

| Property Class | 2022 Total Assessment 1 | 2023 Market Value Change 2 | 2023 New Growth and Re-Class 3 | 2023 Total Assessment 4 | % Market Value Change 5 |
|----------------------------------|----------------------------|-------------------------------|-----------------------------------|----------------------------|----------------------------|
| Class 01 - Residential | \$ 92,961,083,074 | \$ 7,369,567,860 | \$ 1,292,613,177 | \$ 101,623,264,111 | 7.93% |
| Class 02 - Utility | 43,032,692 | 4,850,433 | (31,100) | 47,852,025 | 11.27% |
| Class 03 - Supportive Housing | 20 | 0 | 0 | 20 | - |
| Class 04 - Major Industry | 389,851,100 | 135,737,300 | 2,724,400 | 528,312,800 | 34.82% |
| Class 05 - Light Industry | 5,368,958,100 | 1,606,374,100 | (237,366,900) | 6,737,965,300 | 29.92% |
| Class 06 - Business/Other | 22,213,155,753 | 3,886,895,788 | 655,478,700 | 26,755,530,241 | 17.50% |
| Class 08 - Recreation/Non-Profit | 353,571,300 | 83,436,700 | 3,860,800 | 440,868,800 | 23.60% |
| Class 09 - Farm | 26,496,340 | 73,700 | (1,025,142) | 25,544,898 | 0.28% |
| Total | \$ 121,356,148,379 | \$ 13,086,935,881 | \$ 1,716,253,935 | \$ 136,159,338,195 | 10.78% |

Highlights:

- From 2023 to 2024, total market value for all property classes increased by approximately \$3.95B or 2.90% as shown in Table 1. In comparison, Table 1.1 shows that from 2022 to 2023 market value increased by \$13.09B or 10.78%. Market value

increases are lower than the previous year in most classes as rising interest rates are a contributing factor to lower demand.

- Breakdown of the market value change by assessment class shows that for 2023 to 2024, residential market values increased by approximately \$2.55B or 2.51%. In comparison, the increase for 2022 to 2023 market value was \$7.37B or 7.93%.
- Further breakdown of the residential market value shows that in 2024, single family detached (SFD) properties had an average increase in market value of 2.14% while strata properties had an average increase in market value of 4.10%. In comparison, 2023 market values increase by 6.19% and 10.80% for SFD and strata properties respectively.
- Total new growth in 2024 is approximately \$1.88B, an increase of 9.74% from the \$1.72B of new growth in 2023. Similar to previous years, the majority of new growth is in the residential class having 79.88% of the total new growth.
- Market value in the light industry and business/other classes remains stable with a market value increase of \$662.6M and \$713.2M or 9.83% and 2.67% respectively.
- The farm class new growth value decrease of \$698K in 2024 is primarily due to the annual farm applications not being submitted to BC Assessment by the October 31, 2023 due date.

As in prior years, estimated revenue from new growth was included as a separate income source when preparing the 2024 Operating Budget. Revenue from new growth reduces the tax increase required to balance the operating budget.

Tax Rates:

Prior to calculating new tax rates based on the Council approved increase of 5.62%, the prior year's tax rates are adjusted to account for changes in assessment values of existing properties from one year to the next. Adjusting tax rates ensures the City collects the same amount of taxes from each class in the current year as it did in the previous year. In general, when assessment values increase, the base tax rate decreases and conversely, when assessment values decrease, the base tax rate increases.

Once the base rates are adjusted, the Council approved tax increase is applied to the base rates to determine the new rates for the current year for each assessment class.

Tax Burden:

Tax burden analysis provides a snapshot of the portion of total taxes collected from each assessment class. Each municipality has the option of shifting tax burden from one assessment class to another, as long as the total taxes collected meet their annual budget requirements. Without direction from Council to shift tax burden from one assessment class to another, tax burden for each class will change only with new growth in that class.

Tables 2 and 2.1 below provide overviews of the City’s tax burden for each assessment class in 2024 and 2023 with minimal changes to the tax burden.

Table 2: 2024 Revised Roll and Tax Burden

| 2024 Revised Roll | | | | | | |
|-----------------------|---------------|------------------|---------------------------|-----------------------|--------------------------|---|
| Assessment Class | Folio | % of Total Folio | Assessment | % of Total Assessment | Total Municipal Taxes | % of Total Municipal Taxes (Tax Burden) |
| Residential | 80,885 | 89.42% | \$ 105,674,507,185 | 74.42% | \$ 177,063,977.26 | 57.20% |
| Utility | 117 | 0.13% | 52,241,960 | 0.04% | \$ 1,871,079.23 | 0.60% |
| Supportive Housing | 13 | 0.01% | 20 | 0.00% | \$ 0.03 | 0.00% |
| Major Industry | 30 | 0.03% | 606,900,200 | 0.43% | \$ 3,301,609.92 | 1.07% |
| Light Industry | 651 | 0.72% | 7,445,962,400 | 5.24% | \$ 26,686,552.62 | 8.62% |
| Business/Other | 7,711 | 8.53% | 27,808,605,903 | 19.58% | \$ 99,666,877.81 | 32.20% |
| Recreation/Non-Profit | 474 | 0.52% | 383,282,500 | 0.27% | \$ 530,428.48 | 0.17% |
| Farm | 583 | 0.64% | 25,586,036 | 0.02% | \$ 433,736.53 | 0.14% |
| Total | 90,464 | 100.00% | \$ 141,997,086,204 | 100.00% | \$ 309,554,261.88 | 100.00% |

Table 2.1: 2023 Revised Roll and Tax Burden

| 2023 Revised Roll | | | | | | |
|-----------------------|---------------|------------------|---------------------------|-----------------------|--------------------------|---|
| Assessment Class | Folio | % of Total Folio | Assessment | % of Total Assessment | Total Municipal Taxes | % of Total Municipal Taxes (Tax Burden) |
| Residential | 80,006 | 89.45% | \$ 101,623,264,111 | 74.63% | \$ 165,255,687.17 | 57.11% |
| Utility | 118 | 0.13% | 47,852,025 | 0.04% | \$ 1,754,777.30 | 0.60% |
| Supportive Housing | 13 | 0.01% | 20 | 0.00% | \$ 0.03 | 0.00% |
| Major Industry | 30 | 0.03% | 528,312,800 | 0.39% | \$ 3,118,424.42 | 1.08% |
| Light Industry | 584 | 0.65% | 6,737,965,300 | 4.95% | \$ 23,803,277.39 | 8.23% |
| Business/Other | 7,627 | 8.54% | 26,755,530,241 | 19.65% | \$ 94,519,529.24 | 32.66% |
| Recreation/Non-Profit | 476 | 0.53% | 440,868,800 | 0.32% | \$ 512,223.42 | 0.18% |
| Farm | 594 | 0.66% | 25,544,898 | 0.02% | \$ 421,857.13 | 0.14% |
| Total | 89,448 | 100.00% | \$ 136,159,338,195 | 100.00% | \$ 289,385,776.09 | 100.00% |

In 2024, the City’s residential class is comprised of 80,885 folios or 89.42% of the City’s total folio count. The total assessment value for the residential class is approximately \$105.67B or 74.42% of the City’s total assessed value. Municipal taxes to be collected or the tax burden from this class is approximately \$177.06M or 57.20% of total municipal taxes.

In comparison, the business/other class comprised of 7,711 folios or 8.53% of total folio count and has assessment values totalling \$27.81B or 19.58% of the City’s total assessed values. This class carries 32.20% or \$99.67M of the City’s tax burden.

Tax Burden Comparison:

A tax burden comparison is available for all 21 Metro Vancouver municipalities; however, the analysis was limited to the six comparable municipalities. The comparison can only be completed by using the 2023 data, as most municipalities are finalizing their 2024 tax rates.

Attachment 1 provides a comparison of the percentage of total assessment and percentage of tax burden for each assessment class across the comparator group.

In 2023, Richmond’s tax burden for both residential and business class continue to remain in the middle of the comparator group, following Council’s objectives. Richmond’s residential and business tax burden fall at 57.11% and 32.66% respectively, as shown in Table 3.

Table 3:

| % of Tax Burden (2023) | | % of Tax Burden (2023) | |
|------------------------|---------------|------------------------|---------------|
| Municipality | Residential | Municipality | Business |
| Coquitlam | 67.25% | Vancouver | 40.58% |
| Surrey | 67.16% | Burnaby | 38.65% |
| Richmond | 57.11% | Richmond | 32.66% |
| Vancouver | 56.37% | Coquitlam | 28.26% |
| Delta | 52.37% | Surrey | 26.57% |
| Burnaby | 50.72% | Delta | 24.39% |

Richmond’s residential ranking continues to remain competitive in the comparator group. The residential assessment class is the primary consumer of municipal services, including parks, recreation and community safety. In previous years, some municipalities have shifted their tax burden from business class to residential class to reduce the tax burden on businesses. Richmond’s business ranking in the comparator group also remains competitive which contributes in attracting and retaining business to the City.

Financial Impact

The property tax rates provided in the Annual Property Tax Rates (2024) Bylaw No. 10547 will generate the required revenue from the Council approved 5.62% tax increase as set out in the 2024 Operating Budget.

Conclusion

Staff recommends that the Annual Property Tax Rates (2024) Bylaw No. 10547 be introduced and given first, second and third readings.



Angela Zanardo
Manager, Revenue
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AZ:az

- Att. 1: Comparison of 2023 Assessment Value & Tax Burden by Class
- 2: Annual Property Tax Rates (2024) Bylaw No. 10547

Comparison of 2023 Assessment Value & Tax Burden by Class

| Residential (Class 01) | | | | | |
|-------------------------------|------------------------|-----------------------|-----------------|-----------------------|-----------------|
| Municipality | Assessment | % of Total Assessment | Municipality | Municipal Tax | % of Tax Burden |
| Coquitlam | \$ 67,499,340,690 | 87.51% | Coquitlam | 124,786,031.13 | 67.25% |
| Surrey | 214,213,609,742 | 83.56% | Surrey | 321,016,231.29 | 67.16% |
| Vancouver | 374,321,337,004 | 80.38% | Richmond | 165,255,687.17 | 57.11% |
| Burnaby | 113,739,171,045 | 77.63% | Vancouver | 611,345,350.81 | 57.04% |
| Richmond | 101,623,264,111 | 74.64% | Delta | 88,372,404.13 | 51.59% |
| Delta | 45,670,493,091 | 72.46% | Burnaby | \$ 166,423,155.07 | 50.72% |

| Utility (Class 02) | | | | | |
|---------------------------|-------------------|-----------------------|-----------------|---------------------|-----------------|
| Municipality | Assessment | % of Total Assessment | Municipality | Municipal Tax | % of Tax Burden |
| Burnaby | \$ 519,474,140 | 0.35% | Burnaby | \$ 7,976,941.00 | 2.43% |
| Vancouver | 307,070,680 | 0.07% | Surrey | 5,610,260.03 | 1.17% |
| Surrey | 159,388,138 | 0.06% | Vancouver | 8,937,457.96 | 0.83% |
| Coquitlam | 47,524,645 | 0.06% | Coquitlam | 1,469,942.02 | 0.79% |
| Delta | 30,706,395 | 0.05% | Delta | 1,228,252.73 | 0.72% |
| Richmond | 47,852,025 | 0.04% | Richmond | 1,754,777.30 | 0.61% |

| Major Industry (Class 04) | | | | | |
|----------------------------------|--------------------|-----------------------|-----------------|---------------------|-----------------|
| Municipality | Assessment | % of Total Assessment | Municipality | Municipal Tax | % of Tax Burden |
| Delta | \$ 816,837,600 | 1.30% | Delta | \$ 13,901,187.33 | 8.12% |
| Richmond | 528,312,800 | 0.39% | Burnaby | 8,789,369.64 | 2.68% |
| Burnaby | 432,782,000 | 0.30% | Richmond | 3,118,424.42 | 1.08% |
| Surrey | 228,034,800 | 0.09% | Vancouver | 10,165,509.70 | 0.95% |
| Vancouver | 285,449,000 | 0.06% | Surrey | 4,283,421.65 | 0.90% |
| Coquitlam | N/A | N/A | Coquitlam | N/A | N/A |

| Light Industry (Class 05) | | | | | |
|----------------------------------|----------------------|-----------------------|-----------------|----------------------|-----------------|
| Municipality | Assessment | % of Total Assessment | Municipality | Municipal Tax | % of Tax Burden |
| Delta | \$ 6,530,775,700 | 10.36% | Delta | \$ 22,674,200.15 | 13.24% |
| Richmond | 6,737,965,300 | 4.95% | Richmond | 23,803,277.36 | 8.23% |
| Burnaby | 5,029,164,400 | 3.43% | Burnaby | 18,035,589.37 | 5.50% |
| Surrey | 7,878,723,962 | 3.07% | Surrey | 19,375,200.15 | 4.05% |
| Coquitlam | 1,453,143,113 | 1.88% | Coquitlam | 6,335,122.72 | 3.41% |
| Vancouver | 2,310,587,900 | 0.50% | Vancouver | 11,682,886.96 | 1.09% |

| Business / Other (Class 06) | | | | | |
|-----------------------------|--------------------------|-----------------------|-----------------|----------------------|-----------------|
| Municipality | Assessment | % of Total Assessment | Municipality | Municipal Tax | % of Tax Burden |
| Richmond | \$ 26,755,530,241 | 19.65% | Vancouver | \$ 440,138,623.71 | 41.06% |
| Vancouver | 87,048,602,066 | 18.69% | Burnaby | 126,824,590.40 | 38.65% |
| Burnaby | 26,685,307,073 | 18.21% | Richmond | 94,519,529.24 | 32.66% |
| Delta | 9,859,615,369 | 15.64% | Coquitlam | 52,430,872.83 | 28.26% |
| Surrey | 33,486,477,307 | 13.06% | Surrey | 126,997,130.32 | 26.57% |
| Coquitlam | 8,059,096,933 | 10.45% | Delta | 41,159,950.32 | 24.03% |

| Recreation / Non-Profit (Class 08) | | | | | |
|------------------------------------|-----------------------|-----------------------|-----------------|-------------------|-----------------|
| Municipality | Assessment | % of Total Assessment | Municipality | Municipal Tax | % of Tax Burden |
| Richmond | \$ 440,868,800 | 0.32% | Coquitlam | \$ 497,318.60 | 0.27% |
| Vancouver | 1,397,134,000 | 0.30% | Delta | 389,793.49 | 0.23% |
| Surrey | 350,230,500 | 0.14% | Vancouver | 2,278,599.81 | 0.21% |
| Delta | 75,418,600 | 0.12% | Richmond | 512,223.42 | 0.18% |
| Coquitlam | 71,699,000 | 0.09% | Surrey | 574,703.73 | 0.12% |
| Burnaby | 115,568,900 | 0.08% | Burnaby | 64,267.87 | 0.02% |

| Farm (Class 09) | | | | | |
|-----------------|-------------------|-----------------------|-----------------|-------------------|-----------------|
| Municipality | Assessment | % of Total Assessment | Municipality | Municipal Tax | % of Tax Burden |
| Delta | \$ 44,858,947 | 0.07% | Delta | \$ 1,028,346.50 | 0.60% |
| Richmond | 25,544,898 | 0.02% | Richmond | 421,857.13 | 0.15% |
| Surrey | 34,882,521 | 0.01% | Surrey | 137,634.92 | 0.03% |
| Coquitlam | 1,442,825 | 0.00% | Coquitlam | 25,657.76 | 0.01% |
| Burnaby | 1,279,624 | 0.00% | Burnaby | 7,511.78 | 0.00% |
| Vancouver | 191,971 | 0.00% | Vancouver | 313.09 | 0.00% |



Annual Property Tax Rates (2024) Bylaw No. 10547

The Council of the City of Richmond enacts as follows:

1. Part 1 through 5, pursuant to the *Community Charter*.

PART ONE: GENERAL MUNICIPAL RATES

1.1 General Purposes

- 1.1.1 The tax rates shown in column A of Schedule A are imposed and levied on the assessed value of all land and improvements taxable for general municipal purposes, to provide the monies required for all general purposes of the **City**, including due provision for uncollectible taxes, and for taxes that it is estimated will not be collected during the year, but not including the monies required for payments for which specific provision is otherwise made in the *Community Charter*.

1.2 City Policing and Fire & Rescue

- 1.2.1 The tax rates shown in columns B & C of Schedule A are imposed and levied on the assessed value of all land and improvements taxable for general municipal purposes, to provide monies required during the current year for the purpose of providing policing services and fire and rescue services respectively in the **City**, for which other provision has not been made.

PART TWO: REGIONAL DISTRICT RATES

- 2.1 The tax rates appearing in Schedule B are imposed and levied on the assessed value of all land and improvements taxable for hospital purposes and for Greater Vancouver Regional District purposes.

PART THREE: GENERAL PROVISIONS

3.1 Imposition of Penalty Dates

3.1.1 All taxes payable under this bylaw must be paid on or before July 2, 2024.

3.2 Designation of Bylaw Schedules

3.2.1 Schedules A and B are attached and designated a part of this bylaw.

PART FOUR: INTERPRETATION

4.1 In this bylaw, unless the context otherwise requires:

CITY means the City of Richmond.

PART FIVE: PREVIOUS BYLAW REPEAL

5.1 Annual Property Tax Rates (2023) Bylaw No. 10458 is repealed.

PART SIX: BYLAW CITATION

6.1 This Bylaw is cited as “Annual Property Tax Rates (2024) Bylaw No. 10547”.

FIRST READING

SECOND READING

THIRD READING

LEGAL REQUIREMENTS SATISFIED

ADOPTED

| |
|---|
| CITY OF RICHMOND |
| APPROVED for content by originating dept. |
| <i>[Signature]</i> |
| APPROVED for legality by Solicitor |
| BRB |

MAYOR

CORPORATE OFFICER

SCHEDULE A to BYLAW NO. 10547

| PROPERTY CLASS | COLUMN A GENERAL PURPOSES | COLUMN B POLICING SERVICES | COLUMN C FIRE & RESCUE | TOTAL |
|------------------------------|--|---|---|--------------|
| 1. Residential | 0.98655 | 0.42124 | 0.26777 | 1.67556 |
| 2. Utilities | 21.08780 | 9.00413 | 5.72361 | 35.81554 |
| 3. Supportive Housing | 0.98655 | 0.42124 | 0.26777 | 1.67556 |
| 4. Major Industry | 3.20308 | 1.36767 | 0.86937 | 5.44012 |
| 5. Light Industry | 2.11023 | 0.90105 | 0.57275 | 3.58403 |
| 6. Business/ other | 2.11023 | 0.90105 | 0.57275 | 3.58403 |
| 8. Recreation/ non profit | 0.81483 | 0.34792 | 0.22116 | 1.38391 |
| 9. Farm | 9.98117 | 4.26184 | 2.70907 | 16.95208 |

SCHEDULE B to BYLAW NO. 10547

| PROPERTY CLASS | REGIONAL DISTRICT |
|-----------------------|--------------------------|
| 1. Residential | 0.05070 |
| 2. Utilities | 0.17744 |
| 3. Supportive Housing | 0.05070 |
| 4. Major Industry | 0.17237 |
| 5. Light Industry | 0.17237 |
| 6. Business/other | 0.12420 |
| 8. Rec/non profit | 0.05070 |
| 9. Farm | 0.05070 |