



## Special Finance Committee

Anderson Room, City Hall  
6911 No. 3 Road

Monday, May 11, 2020  
4:00 p.m.

Pg. #      ITEM

### FINANCE AND CORPORATE SERVICES DIVISION

1. **ANNUAL PROPERTY TAX RATES (2020) BYLAW NO. 10174**  
(File Ref. No. 03-1240-01) (REDMS No. 6462967 v. 2)

FIN-3

[See Page FIN-3 for full report](#)

*Designated Speaker: Cindy Szutu*

#### STAFF RECOMMENDATION

- (1) *That the Annual Property Tax Rates (2020) Bylaw No. 10174 be introduced and given first, second and third readings; and*
- (2) *That the Annual Property Tax Rates (2020) Bylaw No. 10174 be adopted.*



2. **ALTERNATIVE MUNICIPAL TAX COLLECTION SCHEME (2020) BYLAW NO. 10178**  
(File Ref. No. 03-1240-01) (REDMS No. 6462982 v. 3)

FIN-19

[See Page FIN-19 for full report](#)

*Designated Speakers: Ivy Wong and Anthony Capuccinello Iraci*

## Special Finance Committee Agenda – Monday, May 11, 2020

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Pg. #

ITEM

### STAFF RECOMMENDATION

- (1) *That the Alternative Municipal Tax Collection Scheme (2020) Bylaw No. 10178 be introduced and given first, second and third readings; and*
- (2) *That the Alternative Municipal Tax Collection Scheme (2020) Bylaw No. 10178 be adopted.*

☐

### ADJOURNMENT

☐



# City of Richmond

## Report to Committee

**To:** Finance Committee

**Date:** May 11, 2020

**From:** Jerry Chong  
Director, Finance

**File:** 03-1240-01/2020-Vol  
01

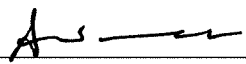

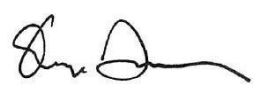
**Re:** Annual Property Tax Rates (2020) Bylaw No. 10174

### Staff Recommendation

1. That the Annual Property Tax Rates (2020) Bylaw No. 10174 be introduced and given first, second and third readings.
2. That the Annual Property Tax Rates (2020) Bylaw No. 10174 be adopted.

Jerry Chong  
Director, Finance  
(604-276-4064)

Att. 2

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 after the adoption of the 5 Year Financial Plan and before May 15<sup>th</sup>. Council must, under subsection 197(3.1), consider the tax distribution to each assessment class prior to adopting the tax rate bylaw.

This report supports Council's Strategic Plan 2018-2022 Strategy #5 Sound Financial Management:

*Accountable, transparent, and responsible financial management that supports the needs of the community into the future.*

*5.1 Maintain a strong and robust financial position.*

*5.4 Work cooperatively and respectfully with all levels of government and stakeholders while advocating for the best interests of Richmond.*

### **Analysis**

BC Assessment provides assessment values that reflect the market condition as of July 1<sup>st</sup> of the preceding year. Assessment totals are comprised of market values for existing properties and values for new properties (new growth).

Tables 1 and 1.1 provide a comparison of 2019 to 2020 and 2018 to 2019 market value changes and new growth respectively.

**Table 1: Comparison of Assessment Values 2019 - 2020**

Property Class	(1) 2019 Total Assessment	(2) 2020 Market Value Change	(3) 2020 New Growth and Re-Class	(4) 2020 Total Assessment	(5) % Market Value Change
Class 01 - Residential	84,391,147,174	(9,621,573,624)	1,126,349,708	75,895,923,258	(11.40%)
Class 02 - Utilities	35,869,121	3,989,879	15,815,080	55,674,080	11.12%
Class 03 - Supportive Housing	16	-	8	24	0.00%
Class 04 - Major Industry	259,457,200	29,911,900	430,600	289,799,700	11.53%
Class 05 - Light Industry	3,528,011,200	364,873,100	(42,757,100)	3,850,127,200	10.34%
Class 06 - Business/Other	18,964,170,002	304,443,550	344,844,700	19,613,458,252	1.61%
Class 08 - Recreation/Non-Profit	221,291,200	(6,091,000)	(3,541,000)	211,659,200	(2.75%)
Class 09 - Farm	26,166,213	338,137	(401,794)	26,102,556	1.29%
<b>TOTAL</b>	<b>\$107,426,112,126</b>	<b>(\$8,924,108,058)</b>	<b>\$1,440,740,202</b>	<b>\$99,942,744,270</b>	<b>(8.31%)</b>

- (1) Prior year's property assessment values provided by BC Assessment which is based on the state and condition of 83,876 properties as of July 1<sup>st</sup> 2018.
- (2) Current year's market value change of the same 83,876 properties from 2019 to 2020.
- (3) New growth is the term used for new developments and any new exemptions. New developments add taxable value to the class while new exemptions reduce the value to that class. Re-class refers to property shifts between assessment classes. The 2020 assessments determined there were 1,364 additional folios created from new growth.
- (4) Current year's total property assessment values which is based on the state and condition of 85,240 properties as of July 1<sup>st</sup> 2019.
- (5) Percentage increase based on market value change of the original 83,876 properties from 2019 to 2020 (percentage change of column (2) from column (1)).

**Table 1.1: Comparison of Assessment Values 2018 - 2019**

Property Class	(1) 2018 Total Assessment	(2) 2019 Market Value Change	(3) 2019 New Growth and Re-Class	(4) 2019 Total Assessment	(5) % Market Value Change
Class 01 - Residential	80,530,838,248	1,976,037,124	1,884,271,802	84,391,147,174	2.45%
Class 02 - Utilities	29,249,516	6,110,505	509,100	35,869,121	20.89%
Class 03 - Supportive Housing	16	-	-	16	0.00%
Class 04 - Major Industry	204,541,500	51,405,200	3,510,500	259,457,200	25.13%
Class 05 - Light Industry	2,998,757,200	472,617,100	56,636,900	3,528,011,200	15.76%
Class 06 - Business/Other	15,848,532,643	3,046,929,940	68,707,419	18,964,170,002	19.23%
Class 08 - Recreation/Non-Profit	200,893,000	32,697,300	(12,299,100)	221,291,200	16.28%
Class 09 - Farm	26,296,762	412,966	(543,515)	26,166,213	1.57%
<b>TOTAL</b>	<b>\$99,839,108,885</b>	<b>\$5,586,210,135</b>	<b>\$2,000,793,106</b>	<b>\$107,426,112,126</b>	<b>5.60%</b>

In early 2018, the BC Provincial government announced the new speculation/vacancy and additional school taxes that would be implemented in 2019. Since then, the 2019-2020 market value change for residential properties decreased 11.40%, whereas in the prior year the market value change for residential properties began stabilization and increased by 2.45%.

Market value changes for the business related assessment classes stabilized in 2020 while new growth increased compared to prior years.

#### Highlights:

- From 2019 to 2020, total market value decreased by approximately \$8.924 billion (column 2) or -8.31% (column 5). In comparison, 2018 to 2019 had a total market value increase of approximately \$5.586 billion or 5.60%.
- The breakdown of the market value changes by assessment class shows that residential market values decreased by \$9.622 billion or an average -11.40%. This is significant decrease compared to 2019 where residential market values increased by \$1.976 billion or an average increase of 2.45%.
- In 2020, a further breakdown of the residential class shows that strata residential properties had an average decrease in market value by 9.26% while single family detached properties had an average decrease of 12.57%. For 2020, most strata properties will have tax increases while single family detached homes on average will have minimal tax increases. This is relatively consistent with 2019 where demand for single family detached homes declined resulting in minimal market value increases.

- The breakdown of the market value changes by assessment class shows that business market values increased by \$304 million or an average of 1.61%. This is a significant stabilization in comparison to 2019 where the business market values increased by \$3.047 billion or an average of 19.23%. Class 06 – Business/Other also experienced new growth increases for properties that were redeveloped by \$385 million. This is a significant increase in comparison to 2019 where business new growth increased by \$69 million.
- Total new growth and reclassification (column 3) in 2020 is approximately \$1.441 billion, which is \$560 million lower than the prior year's new growth of \$2.001 billion. The decline was mainly due to a slowdown in Class 01 - Residential developments for approximately \$758 million compared to the prior year.

Revenue from new growth was estimated and included as a separate income source when preparing the 2020 Operating Budget. This new tax revenue reduces the tax increase required to balance the operating budget.

#### 2020 Tax Rate Calculation

When assessment values increase from the prior year, the City must adjust the tax rates lower in order to collect the same amount of taxes as the prior year. Once that adjustment is made, rates are then adjusted to reflect the Council approved tax increase. Under the *Community Charter*, Council must review the City's property tax distribution prior to adopting the annual property tax rate bylaw. The City has consistently achieved and even surpassed the 5 Year Financial Plan objective of maintaining the business to residential tax ratio in the middle of the comparator group. To date, the City has the lowest business to residential tax ratio of the comparator group to competitively attract and retain businesses.

#### Tax Ratio

The tax ratio is a direct comparison of the tax rates between all classes against the residential tax rate. Fluctuations in the market value for residential class will affect all resulting tax ratios since tax rates are adjusted annually to ensure that the City collects only what is needed to balance the budget. With a combination of the annual tax rate increase for 2020 and new growth, the residential tax rate was adjusted to 1.80065 per \$1,000 of assessment from the 2019 rate of 1.54934 per \$1,000 of assessment. Since the residential tax rate is the denominator in the tax ratio calculation, if market values of the assessment class decreases, the resulting tax ratio will be higher.

The 2020 business and light industry tax rate was adjusted to 4.26880 per \$1,000 of assessment from the 2019 rate of 4.27024 per \$1,000 of assessment. Since the residential tax rate increased by 0.25131 per \$1,000 of assessment and the business tax rate increased by 0.00144 per \$1,000 of assessment; the 2020 business to residential tax ratio decreased from 2.76 to 2.37.

Table 2 provides the 2019 tax rates and business to residential ratio ranking for comparative municipalities.

**Table 2: Comparison of 2019 Business to Residential Ratios**

Municipalities	Residential	Utilities	Supportive Housing	Major Industry	Light Industry	Business	Recreation Non-Profit	Farm	Business to Residential Tax Ratio
Coquitlam	1.9838	40.0000	1.9838	28.9455	8.3080	7.2747	10.2510	15.5160	3.67
Burnaby	1.5119	18.0184	1.5119	24.6537	5.3525	5.3525	0.6340	5.3525	3.54
Vancouver	1.3357	24.2275	0.0000	30.3951	4.2712	4.2712	1.3088	1.3088	3.20
Delta	2.3429	39.9995	2.3429	25.7807	6.9333	7.1283	7.2914	19.7746	3.04
Surrey	1.7568	28.2663	0.0000	9.4081	4.6278	5.4636	1.9776	3.2275	3.11
Richmond	1.5493	29.4908	1.5493	9.8848	4.2702	4.2702	1.4273	13.9020	2.76

### Tax Distribution

Based on the 2020 Revised Roll, the 2020 calculated tax rates, assessment ratios, folio counts, tax distribution and tax ratios are as follows:

**Table 3 – Breakdown of 2020 Assessments and Tax Distribution by Property Class**

Property Class	Tax Rates	Assessment Ratio	Folio Count	Tax Distribution	Tax Ratio
Class 01 - Residential	1.80065	75.94%	76,172	56.53%	1.00
Class 02 - Utilities	28.40884	0.06%	115	0.66%	15.78
Class 03 - Supportive Housing	1.80065	0.00%	12	0.00%	1.00
Class 04 - Major Industry	9.12623	0.29%	30	1.09%	5.07
Class 05 - Light Industry	4.26880	3.85%	588	6.80%	2.37
Class 06 - Business/Other	4.26880	19.62%	7,260	34.64%	2.37
Class 08 - Recreation/Non-Profit	1.51128	0.21%	473	0.13%	0.84
Class 09 - Farm	14.13224	0.03%	590	0.15%	7.85
<b>TOTAL</b>	<b>N/A</b>	<b>100.00%</b>	<b>85,240</b>	<b>100.00%</b>	<b>N/A</b>



For comparison purposes, the 2019 assessment ratios and tax distributions are provided in Table 3.1.

**Table 3.1 – Breakdown of 2019 Assessments and Tax Distribution by Property Class**

Property Class	Tax Rates	Assessment Ratio	Folio Count	Tax Distribution	Tax Ratio
Class 01 - Residential	1.54934	78.56%	74,941	56.58%	1.00
Class 02 - Utilities	29.49075	0.03%	117	0.46%	19.03
Class 03 - Supportive Housing	1.54934	0.00%	8	0.00%	1.00
Class 04 - Major Industry	9.88478	0.24%	30	1.11%	6.38
Class 05 - Light Industry	4.27024	3.28%	595	6.52%	2.76
Class 06 - Business/Other	4.27024	17.66%	7,105	35.03%	2.76
Class 08 - Recreation/Non-Profit	1.42729	0.21%	467	0.14%	0.92
Class 09 - Farm	13.90198	0.02%	613	0.16%	8.97
<b>TOTAL</b>	<b>N/A</b>	<b>100.00%</b>	<b>83,876</b>	<b>100.00%</b>	<b>N/A</b>

- The number of residential folios increased by 1,231 from 74,941 folios in 2019 to 76,172 folios in 2020. New growth in residential assessment value increased by \$1.126 billion and as a result decreased the residential tax burden from 56.58% in 2019 to 56.53% in 2020.
- Properties in Class 03 – Supportive Housing are residential properties with specific BC Provincial government requirements and should therefore have the same tax rates as Class 01 – Residential. With the \$2 in assessment value given to each class 03 property, there will be essentially no taxes charged to supportive housing units.
- All municipalities are concerned with maintaining competitiveness in attracting businesses to their community and retaining the existing business base. Richmond's business to residential tax ratio decreased from 2.76 in 2019 to 2.37 in 2020. This decrease is largely attributed to new growth increases of \$189 million for commercial properties which require a decrease in tax rates from \$4.27024 per \$1,000 in assessment to \$4.26880 in order to collect only what is required to balance the 2020 operating budget.
- Attachment 1 provides a comparison of the average assessment value, municipal taxes, and class burden for various assessment classes in the comparator group. In 2019, the City continued to rank 3<sup>rd</sup> highest in average residential assessment value at \$1,126,101 and had the 2<sup>nd</sup> lowest average municipal taxes of \$1,745.
- Business class had the 4<sup>th</sup> highest average assessed value of \$2.669 million and the lowest average municipal taxes of \$11,398. The light Industry class had the 4<sup>th</sup> highest average assessment value and the 2<sup>nd</sup> lowest average municipal taxes.

- Richmond's Major Industry class had the 4<sup>th</sup> highest average assessment value and 2<sup>nd</sup> lowest average municipal taxes in comparison to others in the group. The City's municipal tax as a percentage of assessment value for this class is at 0.99%.
- Municipal taxes as a percentage of assessment value shows the municipal tax charged for every \$1 of assessment. In the Major Industry, Light Industry, and Business categories, Richmond has the lowest or 2<sup>nd</sup> lowest percentages in the comparator group, which supports Council's objective of being competitive in maintaining and attracting businesses.
- Attachment 2 provides the 2019 tax rates for the comparator group. Richmond's tax rates were consistently in the middle or amongst the lowest in comparison to the group.

### **Financial Impact**

Property tax rates provided in Bylaw 10174 will generate the municipal taxes necessary to balance the Council approved 2020 Operating Budget.

### **Conclusion**

It is the recommendation of staff:

1. That the Annual Property Tax Rates (2020) Bylaw No. 10174 be introduced and given first, second and third readings; and
2. That the Annual Property Tax Rates (2020) Bylaw No. 10174 be adopted.



Cindy Szutu  
Manager, Utility & Tax Projects  
(604-204-8680)

CS:cs

- Att. 1: 2019 Average Municipal Tax and Tax Burden Comparison  
2: Comparison of 2019 Tax Rates

**2019 Average Municipal Tax and Tax Burden Comparison**  
(Sorted by Average Assessment Value)

<b>Residential</b>				
Municipalities	Average Assessed Value	Average Municipal Tax	Municipal Taxes as a % of Assessment Value	% of Total Tax Burden
Vancouver	\$1,724,983.77	\$2,304.10	0.13%	54.60%
Burnaby	\$1,184,699.31	\$1,791.15	0.15%	49.71%
Richmond	\$1,126,101.16	\$1,744.71	0.15%	56.58%
Coquitlam	\$1,071,309.42	\$2,125.26	0.20%	66.20%
Delta	\$970,122.30	\$2,272.90	0.23%	51.97%
Surrey	\$937,871.68	\$1,647.66	0.18%	68.34%

<b>Major Industry</b>				
Municipalities	Average Assessed Value	Average Municipal Tax	Municipal Taxes as a % of Assessment Value	% of Total Tax Burden
Delta	\$18,759,557.14	\$483,634.51	2.58%	9.36%
Vancouver	\$16,576,125.00	\$503,832.98	3.04%	0.91%
Burnaby	\$14,804,261.90	\$364,979.83	2.47%	2.80%
Richmond	\$8,648,573.33	\$85,489.24	0.99%	1.11%
Surrey	\$6,041,064.00	\$56,835.12	0.94%	0.39%
Coquitlam	N/A	N/A	N/A	N/A

<b>Light Industry</b>				
Municipalities	Average Assessed Value	Average Municipal Tax	Municipal Taxes as a % of Assessment Value	% of Total Tax Burden
Burnaby	\$7,466,293.09	\$39,963.33	0.54%	5.91%
Delta	\$6,681,964.96	\$46,328.07	0.69%	13.20%
Vancouver	\$6,383,961.54	\$27,266.92	0.43%	1.33%
Richmond	\$5,929,430.59	\$25,320.09	0.43%	6.52%
Surrey	\$3,786,058.95	\$17,521.01	0.46%	4.13%
Coquitlam	\$3,667,293.79	\$30,467.88	0.83%	3.57%

<b>Business/Other</b>				
Municipalities	Average Assessed Value	Average Municipal Tax	Municipal Taxes as a % of Assessment Value	% of Total Tax Burden
Vancouver	\$5,609,889.06	\$23,960.73	0.43%	42.09%
Burnaby	\$5,221,270.41	\$27,946.85	0.54%	39.41%
Coquitlam	\$4,808,210.33	\$34,978.29	0.73%	29.12%
Richmond	\$2,669,130.19	\$11,397.83	0.43%	35.04%
Delta	\$2,624,609.98	\$18,709.01	0.71%	23.69%
Surrey	\$2,304,128.58	\$12,588.84	0.55%	26.28%

### Comparison of 2019 Tax Rates by Assessment Class

Sorted by Class 01 - Residential								
Municipalities	Residential	Utilities	Supportive Housing	Major Industry	Light Industry	Business	Recreation Non-Profit	Farm
Delta	2.3429	39.9995	2.3429	25.7807	6.9333	7.1283	7.2914	19.7746
Coquitlam	1.9838	40.0000	1.9838	28.9455	8.3080	7.2747	10.2510	15.5160
Surrey	1.7568	28.2663	-	9.4081	4.6278	5.4636	1.9776	3.2275
Richmond	1.5493	29.4908	1.5493	9.8848	4.2702	4.2702	1.4273	13.9020
Burnaby	1.5119	18.0184	1.5119	24.6537	5.3525	5.3525	0.6340	5.3525
Vancouver	1.3357	24.2275	-	30.3951	4.2712	4.2712	1.3088	1.3088

Sorted by Class 02 - Utilities								
Municipalities	Residential	Utilities	Supportive Housing	Major Industry	Light Industry	Business	Recreation Non-Profit	Farm
Coquitlam	1.9838	40.0000	1.9838	28.9455	8.3080	7.2747	10.2510	15.5160
Delta	2.3429	39.9995	2.3429	25.7807	6.9333	7.1283	7.2914	19.7746
Richmond	1.5493	29.4908	1.5493	9.8848	4.2702	4.2702	1.4273	13.9020
Surrey	1.7568	28.2663	-	9.4081	4.6278	5.4636	1.9776	3.2275
Vancouver	1.3357	24.2275	-	30.3951	4.2712	4.2712	1.3088	1.3088
Burnaby	1.5119	18.0184	1.5119	24.6537	5.3525	5.3525	0.6340	5.3525

Sorted by Class 03 - Supportive Housing								
Municipalities	Residential	Utilities	Supportive Housing	Major Industry	Light Industry	Business	Recreation Non-Profit	Farm
Delta	2.3429	39.9995	2.3429	25.7807	6.9333	7.1283	7.2914	19.7746
Coquitlam	1.9838	40.0000	1.9838	28.9455	8.3080	7.2747	10.2510	15.5160
Richmond	1.5493	29.4908	1.5493	9.8848	4.2702	4.2702	1.4273	13.9020
Burnaby	1.5119	18.0184	1.5119	24.6537	5.3525	5.3525	0.6340	5.3525
Surrey	1.7568	28.2663	-	9.4081	4.6278	5.4636	1.9776	3.2275
Vancouver	1.3357	24.2275	-	30.3951	4.2712	4.2712	1.3088	1.3088

Sorted by Class 04 - Major Industry								
Municipalities	Residential	Utilities	Supportive Housing	Major Industry	Light Industry	Business	Recreation Non-Profit	Farm
Vancouver	1.3357	24.2275	-	30.3951	4.2712	4.2712	1.3088	1.3088
Coquitlam	1.9838	40.0000	1.9838	28.9455	8.3080	7.2747	10.2510	15.5160
Delta	2.3429	39.9995	2.3429	25.7807	6.9333	7.1283	7.2914	19.7746
Burnaby	1.5119	18.0184	1.5119	24.6537	5.3525	5.3525	0.6340	5.3525
Richmond	1.5493	29.4908	1.5493	9.8848	4.2702	4.2702	1.4273	13.9020
Surrey	1.7568	28.2663	-	9.4081	4.6278	5.4636	1.9776	3.2275



### Comparison of 2019 Tax Rates by Assessment Class *(continued)*

Sorted by Class 05 - Light Industry								
Municipalities	Residential	Utilities	Supportive Housing	Major Industry	Light Industry	Business	Recreation Non-Profit	Farm
Coquitlam	1.9838	40.0000	1.9838	28.9455	8.3080	7.2747	10.2510	15.5160
Delta	2.3429	39.9995	2.3429	25.7807	6.9333	7.1283	7.2914	19.7746
Burnaby	1.5119	18.0184	1.5119	24.6537	5.3525	5.3525	0.6340	5.3525
Surrey	1.7568	28.2663	-	9.4081	4.6278	5.4636	1.9776	3.2275
Vancouver	1.3357	24.2275	-	30.3951	4.2712	4.2712	1.3088	1.3088
Richmond	1.5493	29.4908	1.5493	9.8848	4.2702	4.2702	1.4273	13.9020

Sorted by Class 06 - Business/Other								
Municipalities	Residential	Utilities	Supportive Housing	Major Industry	Light Industry	Business	Recreation Non-Profit	Farm
Coquitlam	1.9838	40.0000	1.9838	28.9455	8.3080	7.2747	10.2510	15.5160
Delta	2.3429	39.9995	2.3429	25.7807	6.9333	7.1283	7.2914	19.7746
Surrey	1.7568	28.2663	0.0000	9.4081	4.6278	5.4636	1.9776	3.2275
Burnaby	1.5119	18.0184	1.5119	24.6537	5.3525	5.3525	0.6340	5.3525
Vancouver	1.3357	24.2275	-	30.3951	4.2712	4.2712	1.3088	1.3088
Richmond	1.5493	29.4908	1.5493	9.8848	4.2702	4.2702	1.4273	13.9020

Sorted by Class 08 - Recreation/Non-Profit								
Municipalities	Residential	Utilities	Supportive Housing	Major Industry	Light Industry	Business	Recreation Non-Profit	Farm
Coquitlam	1.9838	40.0000	1.9838	28.9455	8.3080	7.2747	10.2510	15.5160
Delta	2.3429	39.9995	2.3429	25.7807	6.9333	7.1283	7.2914	19.7746
Surrey	1.7568	28.2663	-	9.4081	4.6278	5.4636	1.9776	3.2275
Richmond	1.5493	29.4908	1.5493	9.8848	4.2702	4.2702	1.4273	13.9020
Vancouver	1.3357	24.2275	-	30.3951	4.2712	4.2712	1.3088	1.3088
Burnaby	1.5119	18.0184	1.5119	24.6537	5.3525	5.3525	0.6340	5.3525

Sorted by Class 09 - Farm								
Municipalities	Residential	Utilities	Supportive Housing	Major Industry	Light Industry	Business	Recreation Non-Profit	Farm
Delta	2.3429	39.9995	2.3429	25.7807	6.9333	7.1283	7.2914	19.7746
Coquitlam	1.9838	40.0000	1.9838	28.9455	8.3080	7.2747	10.2510	15.5160
Richmond	1.5493	29.4908	1.5493	9.8848	4.2702	4.2702	1.4273	13.9020
Burnaby	1.5119	18.0184	1.5119	24.6537	5.3525	5.3525	0.6340	5.3525
Surrey	1.7568	28.2663	-	9.4081	4.6278	5.4636	1.9776	3.2275
Vancouver	1.3357	24.2275	-	30.3951	4.2712	4.2712	1.3088	1.3088



## Annual Property Tax Rates (2020) Bylaw No. 10174

The Council of the City of Richmond enacts as follows:

- (a) Parts 1 through 6 excluding Part 3, pursuant to the *Community Charter*; and
- (b) Part 3 pursuant to section 100 of the *Municipalities Enabling and Validating Act*.

### 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, Fire & Rescue and Storm Drainage

- 1.2.1 The tax rates shown in columns B, C & D 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, fire and rescue services and storm drainage 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: TRUNK SEWERAGE RATES**

**3.1** The tax rates shown in Schedule C are imposed and levied on the assessed values of all land only of all real property, which is taxable for general municipal purposes, within the following benefitting areas, as defined by the Greater Vancouver Sewerage & Drainage District:

- (a) Area A, being that area encompassing those portions of sewerage sub-areas and local pump areas contained in the Lulu Island Sewerage Area of the Greater Vancouver Sewerage and Drainage District as shown on the current plan of the Lulu Island West Sewerage Area; and
- (b) Area B, being that area encompassing Sea, Mitchell, Twigg and Eburne Islands, which is that part of the **City** contained in the Vancouver Sewerage Area of the Greater Vancouver Sewerage and Drainage District as shown on the current plan of the Vancouver Sewerage Area; and
- (c) Area C, being that part of the City contained in the Fraser Sewerage Area of the Greater Vancouver Sewerage and Drainage District as shown on the current plan of the Fraser Sewerage Area,

and the total amount raised annually is to be used to retire the debt (including principal and interest) incurred for a sewage trunk system, which includes the collection, conveyance and disposal of sewage, including, without limiting the generality of the foregoing, forcemain sewers and their pumphouses and such ancillary drainage works for the impounding, conveying and discharging the surface and other waters, as are necessary for the proper laying out and construction of the said system of sewerage works, provided however that land classified as "Agriculture Zone" in Section 14.1 of the **Zoning Bylaw**, is exempt from any tax rate imposed or levied pursuant to this Part.

### **PART FOUR: GENERAL PROVISIONS**

#### **4.1 Imposition of Penalty Dates**

4.1.1 All taxes payable under this bylaw must be paid on or before July 2, 2020.

#### **4.2 Designation of Bylaw Schedules**

4.2.1 Schedules A, B and C are attached and designated a part of this bylaw.

**PART FIVE: INTERPRETATION**

5.1 In this bylaw, unless the context otherwise requires:

**CITY** means the City of Richmond.

**ZONING** means the Richmond Zoning.

**BYLAW** Bylaw 8500, as amended from time to time.

**PART SIX: PREVIOUS BYLAW REPEAL**

6.1 Annual Property Tax Rates (2019) Bylaw No. 10016 is repealed.

**PART SEVEN: BYLAW CITATION**

7.1 This Bylaw is cited as "Annual Property Tax Rates (2020) Bylaw No. 10174".

FIRST READING

SECOND READING

THIRD READING


ADOPTED

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CITY OF RICHMOND
APPROVED for content by originating dept. 
APPROVED for legality by Solicitor

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CORPORATE OFFICER



**SCHEDULE A to BYLAW NO. 10174**

<b>PROPERTY CLASS</b>	<b>COLUMN A GENERAL PURPOSES</b>	<b>COLUMN B POLICING SERVICES</b>	<b>COLUMN C FIRE &amp; RESCUE</b>	<b>COLUMN D STORM DRAINAGE</b>	<b>TOTAL</b>
1. Residential	1.02117	0.42955	0.31028	0.03965	1.80065
2. Utilities	16.11098	6.77708	4.89522	0.62556	28.40884
3. Supportive Housing	1.02117	0.42955	0.31028	0.03965	1.80065
4. Major Industry	5.17558	2.17711	1.57257	0.20097	9.12623
5. Light Industry	2.42090	1.01834	0.73557	0.09399	4.26880
6. Business/ other	2.42090	1.01834	0.73557	0.09399	4.26880
8. Recreation/ non profit	0.85707	0.36052	0.26041	0.03328	1.51128
9. Farm	8.01455	3.37132	2.43518	0.31119	14.13224

**SCHEDULE B to BYLAW NO. 10174**

<b>PROPERTY CLASS</b>	<b>REGIONAL DISTRICT</b>
1. Residential	0.05002
2. Utilities	0.17509
3. Supportive Housing	0.05002
4. Major Industry	0.17008
5. Light Industry	0.17008
6. Business/other	0.12256
8. Rec/non profit	0.05002
9. Farm	0.05002

**SCHEDULE C to BYLAW NO. 10174**

AREA		RATES
A, B & C	Sewer Debt Levy (land only)	0.02913



# City of Richmond

## Report to Committee

**To:** Finance Committee

**Date:** May 11, 2020

**From:** Jerry Chong  
Director, Finance




**File:** 03-1240-01/2020-Vol  
01

**Re:** **Alternative Municipal Tax Collection Scheme (2020) Bylaw No. 10178**

### Staff Recommendation

1. That the Alternative Municipal Tax Collection Scheme (2020) Bylaw No. 10178 be introduced and given first, second and third readings.
2. That the Alternative Municipal Tax Collection Scheme (2020) Bylaw No. 10178 be adopted.

Jerry Chong  
Director, Finance  
(604-276-4064)

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

## Staff Report

### Origin

Under section 234(1), of the *Community Charter*, Council has historically adopted the General Tax Collection Scheme whereby property taxes are due on July 2<sup>nd</sup> of each year.

This report supports Council's Strategic Plan 2018-2022 Strategy #5 Sound Financial Management:

*Accountable, transparent, and responsible financial management that supports the needs of the community into the future.*

*5.1 Maintain a strong and robust financial position.*

*5.4 Work cooperatively and respectfully with all levels of government and stakeholders while advocating for the best interests of Richmond.*

### Analysis

The Province of BC announced on April 16<sup>th</sup>, 2020 BC's *COVID-19 Action Plan* to support businesses and local governments during the unprecedented pandemic. In this plan, the following measures were introduced:

- Provincial school taxes for Class 4, 5, 6, 7 and 8 properties will be reduced, resulting in an approximate 25% reduction in overall property taxes for the 2020 tax year.
- The penalty date for the same property classes will be postponed to October 1, 2020. Based on the reduced school taxes for the commercial property classes, the Province of BC will be providing approximately \$60M in property tax relief for non-residential properties in the City of Richmond (the "City").
- The remittance of school taxes is postponed to the end of the year in order to provide cash flow to municipalities.
- The remittance to other taxing authorities is required by August 1, 2020.

### Alternative Municipal Tax Collection Scheme

With the penalty date change for select assessment classes announced by the Province, if the City chooses to do nothing, Section 234 – General Tax Scheme ("General Scheme") of the *Community Charter* applies where penalties must be charged on all outstanding balances immediately after July 2<sup>nd</sup>. In doing so, the City will be creating inequity between residential and non-residential property owners. While the pandemic and physical distancing restrictions have greatly impacted businesses and their revenue, many residential tax payers have also been financially affected.

In addressing the inequity, Council may adopt an Alternative Municipal Tax Collection Scheme ("Alternative Scheme") bylaw under Section 235 and 236 to:

1. Remove the inequity by establishing penalty dates for all classes to mirror those sent out by the Province; and
2. Provide property owners the option to elect to pay under the General or Alternative Scheme by giving written notice of their election to the municipality within the period of time established through the bylaw.

The Alternative Municipal Tax Collection Scheme (2020) Bylaw No. 10178 will set a July 2<sup>nd</sup> due date and allow penalties to apply on any unpaid taxes on October 1, 2020. If property owners do not wish to have a later penalty date, the *Community Charter* requires that owners be given a period to give notice to the municipality for an earlier penalty date of July 3<sup>rd</sup>. The bylaw sets June 15<sup>th</sup> as the deadline to give notice for the earlier penalty date. Staff does not expect any requests for the General Scheme as an earlier July 3<sup>rd</sup> penalty date would be an inferior option to the Alternative Scheme which offers a later penalty date of October 1<sup>st</sup>. At the same time, staff will encourage property owners who are financially able to meet the July 2<sup>nd</sup> due date to still do so to help keep City programs and services in place.

### Financial Impact

Postponing the property tax payment penalty date to October 1, 2020 through the Alternative Municipal Tax Collection Scheme (2020) Bylaw 10178 will provide all property owners an additional 90 calendar days of payment relief during the COVID-19 pandemic. Staff anticipates forgoing approximately \$940,000 in penalty revenue with the extended penalty date.

### Conclusion

It is the recommendation of staff:

1. That the Alternative Municipal Tax Collection Scheme (2020) Bylaw No. 10178 be introduced and given first, second and third readings; and
2. That the Alternative Municipal Tax Collection Scheme (2020) Bylaw No. 10178 be adopted.



Ivy Wong  
Manager, Revenue  
(604-276-4046)



Anthony Capuccinello Iraci  
City Solicitor  
(604-247-4636)

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**Alternative Municipal Tax Collection Scheme (2020) Bylaw No. 10178**

The Council of the City of Richmond enacts as follows:

**PART ONE: GENERAL PROVISIONS**

1. This bylaw establishes an alternative municipal tax collections scheme under s.235 of the *Community Charter* for the year 2020.
2. Unless the general tax collection scheme is determined to apply under s.236 of the *Community Charter*, the provisions of this bylaw apply.
3. Property taxes for the year 2020 are due on July 2, 2020.
4. If all or part of the property taxes remain unpaid after September 30, 2020, penalties will be applied in accordance with the following provisions:
  - (a) the collector must add to the unpaid property taxes for the parcel and improvements for the year 2020 a penalty equal to 10% of the portion that on October 1, 2020 remains unpaid, and
  - (b) the penalty referred to in paragraph (a) is due as part of the property taxes for the year 2020 for the parcel and improvements.
5. For the year 2020, an owner may under s.236 of the *Community Charter* make an election to pay under the alternative municipal tax collection scheme established by this bylaw or under the general tax collection scheme by giving written notice of the election to the City before June 15, 2020.

**PART TWO: INTERPRETATION**

6. In this bylaw, unless the context requires otherwise:

City	means the City of Richmond;
Collector	means the municipal officer assigned responsibility as collector of taxes for the municipality;
<i>Community Charter</i>	means <i>Community Charter</i> , SBC 2003, c. 26, as amended or replaced from time to time;

Property taxes

means taxes under Division 3 [*Property Value Taxes*], 4 [*Parcel Taxes*] or 5 [*Local Service Taxes*] of Part 7 [*Municipal Revenue*] of the *Community Charter*.

### PART THREE: SEVERABILITY AND CITATION

7. If any section, subsection, paragraph, clause or phrase of this bylaw is for any reason held to be invalid by the decision of a court of competent jurisdiction, such decision does not affect the validity of the remaining portions of this bylaw.
8. This Bylaw is cited as "Alternative Municipal Tax Collection Scheme (2020) Bylaw No. 10178".



FIRST READING

SECOND READING

THIRD READING

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CITY OF RICHMOND
APPROVED for content by originating dept. 
APPROVED for legality by Solicitor 

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CORPORATE OFFICER