



COUNCIL REPORT
Finance, Administration and Protective Services
For the May 14, 2019 Council Meeting

DATE: May 3, 2019
TO: Jim Zaffino, CAO
FROM: Warren Everton, Chief Financial Officer
RE: 2019 Tax Rate Bylaw No. 0264, 2019

RECOMMENDED MOTION:

THAT Council adopt "City of West Kelowna Tax Rates Bylaw No.0264, 2019".

BACKGROUND:

The *Community Charter* section 197 requires that Council impose property taxes for the year by bylaw after the approval of the financial plan and prior to May 15th.

As per bylaw 0264, the due date for 2019 will be 4:30 pm July 2nd, 2019.

The following table represents the tax implications of a 3.88% tax increase on Class 1 residential properties.

| Impact on Average Residential General Municipal Taxes | | | | |
|--|-------------|-------|-------------|----------------------|
| | 2018 | | 2019 | Increase/ (Decrease) |
| Average house | \$ 600,996 | | \$ 642,582 | \$ 41,586 |
| General tax rate (includes library and sanitary sewer) | 3.2228 | | 3.1484 | -0.0744 |
| Taxes | \$ 1,936.89 | | \$ 2,023.09 | \$ 86.20 |
| Increase in Taxes | | | 4.45% | \$ 86.20 |
| Less: | | | | |
| General tax increase | | 3.88% | 3.88% | \$ 75.15 |
| Difference - Growth in Class and Assessment Shift | | | 0.57% | \$ 11.05 |

From the table above, the mill rate has decreased over the prior year due to the amount of taxes to be collected coming from a larger pool of residential properties. The value of that larger pool is also accentuated by the increase in number of folios. The hypothetical average house in the City increased in value by 8.3% and subsequently the taxes on that house will increase by

4.45%. Once the overall tax increase of 3.88% is factored in the impact of assessment growth is 0.57%.

ALTERNATE MOTION

THAT Council rescind first, second and third readings of "City of West Kelowna Tax Rates Bylaw No.0264, 2019" and abandon the bylaw.

Implications: if the bylaw is not adopted by Council the City would miss the deadline to file the bylaw and not have any means to collect taxes. This would have serious repercussions on the City's ability to operate.

Respectfully submitted,



Warren Everton
Chief Financial Officer



Tracey Batten
Deputy CAO



Jim Zaffino
Chief Administrative Officer

Attachments: Bylaw No. 0264, 2019
Schedule "A" Tax Rate

Powerpoint: __Yes_x_No

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Jim Zaffino, CAO

May 7, 2019
Date

CITY OF WEST KELOWNA

BYLAW NO. 0264

A BYLAW TO ESTABLISH THE TAX RATES UPON REAL PROPERTY FOR THE CITY OF WEST KELOWNA AND TO PROVIDE FOR THE PAYMENT OF TAXES FOR THE YEAR 2019

WHEREAS the Council shall, pursuant to Section 197 of the *Community Charter*, in each year, adopt a bylaw to impose rates on all taxable land and improvements according to their assessed value to provide the money required for purposes specified in the *Community Charter*;

AND WHEREAS the Council may, pursuant to Section 234 of the *Community Charter*, use the General tax collection scheme;

THEREFORE BE IT RESOLVED that the Municipal Council of the City of West Kelowna, in open meeting assembled, hereby ENACTS AS FOLLOWS:

1. Title

This Bylaw may be cited as the "CITY OF WEST KELOWNA TAX RATES BYLAW NO. 0264, 2019".

2. Definition

"CHIEF FINANCIAL OFFICER" means the person duly appointed by Council, and includes his/her Deputy.

"CITY" means the City of West Kelowna

3. Tax Rate Multiplier

The Multiplier factor used to establish the Tax Rates for general municipal purposes is as follows:

| PROPERTY CLASS | CODE | MULTIPLIER |
|--------------------|------|------------|
| RESIDENTIAL | 01 | 1.00 |
| UTILITIES | 02 | 11.24 |
| SUPPORTIVE HOUSING | 03 | 1.00 |
| MAJOR INDUSTRY | 04 | 3.00 |
| LIGHT INDUSTRY | 05 | 2.13 |
| BUSINESS/OTHER | 06 | 2.33 |
| MANAGED FOREST | 07 | 3.00 |
| REC/NON-PROFIT | 08 | 1.00 |
| FARM | 09 | 1.00 |

4. Tax Rates for General Municipal Purposes

Tax rates for all lawful general purposes, as shown in column 'A' of Schedule 'A' attached hereto and forming a part of this Bylaw, are hereby imposed and levied on taxable land and improvements according to their assessed value as shown upon the Real Property Tax Roll for general municipal purposes for the City of West Kelowna for 2019.

5. Tax Rates for Regional District of Central Okanagan

Tax rates for the payment of the Regional District of Central Okanagan requisition, excluding tax rates for the S I R requisition under Section 6 as shown in column 'B' of Schedule 'A' attached hereto and forming part of this Bylaw, are hereby imposed and levied on taxable land and improvements according to their assessed value on the basis provided under Section 384 of the *Local Government Act* and as shown upon the Real Property Tax Roll for the City of West Kelowna for 2019.

6. Tax Rates for Regional District of Central Okanagan SIR Program

Tax rates for the payment of the Regional District of Central Okanagan requisition for the SIR Program, as shown in column 'C' of Schedule 'A' attached hereto and forming part of this Bylaw, are hereby imposed and levied on taxable land according to their assessed value on the basis provided under Section 384 of the *Local Government Act* and as shown upon the Real Property Tax Roll for the City of West Kelowna for 2019.

7. Central Okanagan Regional Hospital District

Tax rates for the payment of the Central Okanagan Regional Hospital District requisition, as shown in column 'D' of Schedule 'A' Page 1 attached hereto and forming part of this Bylaw, are hereby imposed and levied on taxable land and improvements according to their assessed value on the basis provided by Section 26 of the *Hospital District Act* and according to their assessed value as shown upon the Real Property Tax Roll for the City of West Kelowna for 2019.

8. Tax Rates for General Municipal Purposes – Library

Tax rates for all lawful general purposes, as shown in column 'E' of Schedule 'A' attached hereto and forming a part of this Bylaw, are hereby imposed and levied on taxable land and improvements according to their assessed value as shown upon the Real Property Tax Roll for general municipal purposes – Library for the City of West Kelowna for 2019.

9. Tax Rates for General Municipal Purposes – Sanitary Storm Sewer

Tax rates for all lawful general purposes, as shown in column 'F' of Schedule 'A' attached hereto and forming a part of this Bylaw, are hereby imposed and levied on taxable land and improvements according to their assessed value as shown upon the Real Property Tax Roll for general municipal purposes – Sanitary Storm Sewer for the City of West Kelowna for 2019.

10. General Tax Collection Scheme

Under section 234(1), of the *Community Charter*, Council may use the General tax collection scheme whereby property taxes for a year are due on July 2 of the year. As July 2 does not fall on a statutory holiday, taxes shall be due on July 2, 2019.

11. Rates and Taxes Payable to the City of West Kelowna

The rates and taxes named under this Bylaw shall be levied, raised and collected for the purposes stated, and shall be payable to the City of West Kelowna at the City Hall.

12. Penalties

Under section 234(2) of the *Community Charter*, the Lieutenant Governor in Council may make regulations establishing penalties and interest that must be applied by municipalities in relation to payments made after the tax due date of July 3rd as above. Pursuant to *Municipal Tax Regulation 426/2003, section (3)*, upon the 3rd day of July, 2019, or as soon thereafter as is practicable, the Chief Financial Officer shall add to the unpaid balance of the current year's taxes, in respect of each parcel of land and the improvements as shown upon the Real Property Tax Roll of the City for 2019, ten (10) percent of the amount unpaid as of 4:30 pm on the 2nd day of July, 2019

13. Supplementary Tax Rolls

13.1 Upon receipt of a Supplementary Tax Roll from B.C. Assessment, the Chief Financial Officer shall levy taxes in accordance with the rates specified in Schedule 'A' of this Bylaw according to the taxable values as shown on the Supplementary Tax Rolls.

13.2 For each Supplementary Tax Roll, the Chief Financial Officer shall add penalties to the unpaid amounts as follows:

- (a) Where Supplementary Tax Notices are sent before the 7th day of June, 2019, penalties shall be added as set out in Section 12 of this Bylaw.
- (a) Where Supplementary Tax Notices are sent after the 7th day of June, 2019; ten (10) percent shall be added on any amount unpaid after 30 (thirty) days.

14. R.D.C.O. Parcel Tax (under collection for other governments)

- (a) Sterile Insect Release Program parcel tax levy for 2019 is \$13,259;
- (b) The Sewer parcel tax levy for 2019 is \$22,281 for Lakeview #605;
- (c) Westside Landfill/Transfer Station parcel tax levy for 2019 is \$444,157;
- (d) Solid Waste and Recycling Program parcel tax levy for 2019 is \$223,383.

READ A FIRST, SECOND AND THIRD TIME THIS 23RD DAY OF APRIL, 2019
ADOPTED

MAYOR

CITY CLERK

City of West Kelowna 2019

Tax Rate

Schedule "A"

| Description | Municipal Combined | General Municipal | % Collected Municipal | Regional District | % Collected Regional District | Regional District SIR (Land Only) | % Collected Regional District SIR (Land Only) | Regional District Hospital | % Collected Regional District Hospital | Regional Library | % Collected Regional Library | Sanitary Storm Sewer | % Collected Sanitary Storm Sewer |
|-----------------|--------------------|-------------------|-----------------------|-------------------|-------------------------------|-----------------------------------|---|----------------------------|--|------------------|------------------------------|----------------------|----------------------------------|
| | | | | | | | | | | | | | |
| | | (A) | (B) | (C) | (D) | (E) | (F) | | | | | | |
| 01 Rate | 3,14839 | 2,98911 | 0.25003 | 0.02916 | 0.24833 | 0.14584 | 0.03343 | | | | | | |
| Taxable Value | 9,009,126,394 | 8,986,689,494 | 3,993,936,605 | 116,168 | 83.85% | 80.85% | 83.85% | 8,986,689,494 | 83.85% | 9,009,126,394 | 85.93% | 9,009,126,394 | 85.93% |
| Total Collected | \$ 28,364,200 | \$ 26,749,129 | \$ 2,318,653 | \$ 116,168 | \$ 83.85% | \$ 80.85% | \$ 83.85% | \$ 2,231,647 | \$ 83.85% | \$ 1,313,892 | \$ 85.93% | \$ 301,180 | \$ 85.93% |
| 02 Rate | 35,3878 | 33,37285 | 0.90311 | 0.10207 | 0.86815 | 1.63924 | 0.37576 | | | | | | |
| Taxable Value | 3,052,801 | 3,052,801 | 26,930,601 | 1,405,300 | 0.88% | 0.10% | 0.88% | 26,930,601 | 0.88% | 3,052,801 | 0.33% | 3,052,801 | 0.33% |
| Total Collected | \$ 108,022 | \$ 101,881 | \$ 24,321 | \$ 143 | \$ 0.88% | \$ 0.10% | \$ 0.88% | \$ 23,407 | \$ 0.88% | \$ 5,004 | \$ 0.33% | \$ 1,147 | \$ 0.33% |
| 03 Rate | 3,1484 | 2,98911 | 0.25003 | 0.02916 | 0.24833 | 0.14584 | 0.03343 | | | | | | |
| Taxable Value | | | | | | | | | | | | | |
| Total Collected | \$ - | \$ - | \$ - | \$ - | \$ 0.00% | \$ 0.00% | \$ 0.00% | \$ - | \$ 0.00% | \$ - | \$ 0.00% | \$ - | \$ 0.00% |
| 04 Rate | 9,4452 | 8,90734 | 0.87131 | 0.09916 | 0.84432 | 0.43752 | 0.10029 | | | | | | |
| Taxable Value | 17,044,000 | 17,044,000 | 17,044,000 | 10,310,000 | 0.54% | 0.71% | 0.54% | 17,044,000 | 0.54% | 17,044,000 | 0.49% | 17,044,000 | 0.49% |
| Total Collected | \$ 160,983 | \$ 151,817 | \$ 14,953 | \$ 1,022 | \$ 0.54% | \$ 0.71% | \$ 0.54% | \$ 14,391 | \$ 0.54% | \$ 7,457 | \$ 0.49% | \$ 1,709 | \$ 0.49% |
| 05 Rate | 6,7061 | 6,32421 | 0.87131 | 0.09916 | 0.84432 | 0.31064 | 0.07121 | | | | | | |
| Taxable Value | 103,244,300 | 103,244,300 | 103,244,300 | 71,410,700 | 3.26% | 4.93% | 3.26% | 103,244,300 | 3.26% | 103,244,300 | 2.10% | 103,244,300 | 2.10% |
| Total Collected | \$ 692,353 | \$ 652,939 | \$ 90,577 | \$ 7,081 | \$ 3.26% | \$ 4.93% | \$ 3.26% | \$ 87,171 | \$ 3.26% | \$ 32,072 | \$ 2.10% | \$ 7,352 | \$ 2.10% |
| 06 Rate | 7,3357 | 6,91804 | 0.63218 | 0.07145 | 0.60840 | 0.33981 | 0.07789 | | | | | | |
| Taxable Value | 495,567,301 | 495,567,301 | 495,567,301 | 264,187,701 | 11.33% | 13.14% | 11.33% | 495,567,301 | 11.33% | 495,567,301 | 11.01% | 495,567,301 | 11.01% |
| Total Collected | \$ 3,635,352 | \$ 3,426,353 | \$ 313,287 | \$ 18,877 | \$ 11.33% | \$ 13.14% | \$ 11.33% | \$ 301,505 | \$ 11.33% | \$ 168,397 | \$ 11.01% | \$ 38,601 | \$ 11.01% |
| 07 Rate | 9,4452 | 8,90734 | 0.77410 | 0.08749 | 0.74498 | 0.43752 | 0.10029 | | | | | | |
| Taxable Value | | | | | | | | | | | | | |
| Total Collected | \$ - | \$ - | \$ - | \$ - | \$ 0.00% | \$ 0.00% | \$ 0.00% | \$ - | \$ 0.00% | \$ - | \$ 0.00% | \$ - | \$ 0.00% |
| 08 Rate | 3,1484 | 2,98911 | 0.25003 | 0.02916 | 0.24833 | 0.14584 | 0.03343 | | | | | | |
| Taxable Value | 11,825,700 | 11,825,700 | 11,825,700 | 11,590,800 | 0.11% | 0.24% | 0.11% | 11,825,700 | 0.11% | 11,825,700 | 0.11% | 11,825,700 | 0.11% |
| Total Collected | \$ 37,232 | \$ 35,112 | \$ 3,051 | \$ 338 | \$ 0.11% | \$ 0.24% | \$ 0.11% | \$ 2,937 | \$ 0.11% | \$ 1,725 | \$ 0.11% | \$ 395 | \$ 0.11% |
| 09 Rate | 3,1484 | 2,98911 | 0.25003 | 0.02916 | 0.24833 | 0.14584 | 0.03343 | | | | | | |
| Taxable Value | 3,461,415 | 3,461,415 | 1,730,677 | 1,730,677 | 0.02% | 0.04% | 0.02% | 1,730,677 | 0.02% | 3,461,415 | 0.03% | 3,461,415 | 0.03% |
| Total Collected | \$ 10,898 | \$ 10,277 | \$ 447 | \$ 50 | \$ 0.02% | \$ 0.04% | \$ 0.02% | \$ 430 | \$ 0.02% | \$ 505 | \$ 0.03% | \$ 116 | \$ 0.03% |
| Total Collected | \$ 33,009,059 | \$ 31,125,507 | \$ 2,765,490 | \$ 143,699 | \$ 100.00% | \$ 100.00% | \$ 100.00% | \$ 2,661,466 | \$ 100.00% | \$ 1,528,052 | \$ 100.00% | \$ 350,500 | \$ 100.00% |