



## COUNCIL REPORT

To: Mayor and Council

Date: April 28, 2026

From: Ron Bowles, Chief Administrative Officer

Subject: **2026 Tax Rate Bylaw 0344**

Prepared by: Lisa Siavashi, Acting Chief Financial Officer

Reviewed by: Ron Bowles, Chief Administrative Officer

---

### RECOMMENDATION:

**THAT** Council approve the Tax Multiplier Schedule as outlined in “Table 1” in the report from the Acting Chief Financial Officer dated April 28, 2026;

**AND THAT** “2026 Tax Rates Bylaw No. 0344, 2026” be read a first, second and third time.

### STRATEGIC AREA(S) OF FOCUS

Property Tax Revenue supports all areas of the City of West Kelowna.

**Invest in Infrastructure** – We will invest in building, improving and maintaining infrastructure to meet the needs of, and to provide a high quality of life for, current and future generations.

**Pursue Economic Growth and Prosperity** – We will work with stakeholders throughout the region to advocate for and support efforts aimed at helping West Kelowna businesses prosper. With a focus on the future, we will advance opportunities to expand our economy, increase employment, and develop the community in ways that contribute towards prosperity for all.

**Strengthen Our Community** – We will provide opportunities for the residents of West Kelowna to build connections, celebrate successes, embrace the community's strengths and diversity, address shared needs, and contribute to shaping the community's future.

**Foster Safety and Well-Being** – We will pursue through direct action, advocacy, and collaboration with local and regional service providers, investments in community health, needs-based housing, emergency preparedness, policing, and other services that foster safety and well-being in West Kelowna.

## **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. Pursuant to Section 235 of the Community Charter, Council may use the General Collection Scheme or Alternative Tax Collection Scheme, including penalties to be applied in relation to payments made after a tax due date established by the bylaw.

As per Bylaw 0344, the due date for 2026 will be 4:30 pm July 2nd and the penalties for payments made after that date will be 10% for outstanding amounts on July 3rd, 2026.

During budget deliberations, Council approved a financial plan supported by \$52,866,798 of property tax revenue. This equated to a 7.84% increase before growth, with growth reducing the net increase to 6.638%. For an average house, assessed at \$944,579, this results in an approximate increase of \$138 for general municipal taxes. The calculations below represent the adjustments needed to distribute these amounts proportionately between the different classes after taking changes in assessments into account—both market adjustments and new construction. Growth in assessment values creates more properties to distribute the tax load over.

## **DISCUSSION**

Tax Due Date:

For the 2026 tax year, the tax rate bylaw has been written in the traditional sense under the Charter's General Tax Collection Scheme with the penalty date for all classes set as July 3<sup>rd</sup>, 2026 for unpaid amounts as of 4:30 pm on July 2<sup>nd</sup>, 2026.

Cash Flow:

The City primarily relies on tax collection for its revenue, although it benefits from additional non-tax income sources such as utility billing and permitting, which continue throughout the fiscal year. The most significant factor influencing annual cash outflow is the scale, value, and timing of capital projects. These effects are partially mitigated by a funding structure that incorporates reserves, grants, and borrowing, allowing all to be accessed simultaneously as projects progress. Prior to tax collection, staff actively engage in cash projection modelling and tracking to assess the necessity of funds through the Revenue Anticipation Borrowing Bylaw. Thus far, the City has successfully managed cash flow without utilizing these funds; however, should circumstances shift and require revenue borrowing, staff will promptly inform Council.

Tax Multiplier Schedule and Assessments:

Tax distribution is addressed in the Financial Plan Bylaw and specifically in the City's Revenue Policy stated as: "It is Council's goal to ensure that there is a fair and equitable apportionment of taxes to each property class". The apportionment to each class is calculated using the multipliers determined by Council prior to preparing the annual tax rate bylaw. The tax multipliers will be reviewed and set by Council annually."

Similarly to 2025 staff have reviewed the proportionate mix between classes and are recommending that classes 4 and 6 (Major Industry and Business) be adjusted downwards to shift some of the assessment burden back to residential. This exercise enables residential, as the largest class, to more closely match to budget as well as alleviating some of the assessment shift tax burden away from the business/industry classes.

## FINANCIAL IMPLICATIONS

When it comes to the main assessment classes, Class 1 Residential continues to shift proportionately down as does Class 5, with Class 4 and 6 increasing. With these minor shifts, Finance proposes adjusting the multipliers, as it does annually, to equalize the tax increase between Classes 4, 5, and 6. Table 1 proposes that classes 4, 5 and 6 multipliers are adjusted to 53%, 65% and 81% of their historical rates respectfully in an effort to normalize the increase. These percentage adjustments are used in a mathematical sense to flatten the rates swings and do not serve any other strategic purpose. Additionally, Class 7 Managed Forest, under which West Kelowna has zero assessment, is proposed to follow the adjustment of Class 4 Major Industry.

Table 1 (History and Proposed Ratios)	Tax Ratio			
	2023	2024	2025	2026
Class 1 - Residential	1.00	1.00	1.00	1.00
Class 2 - Utilities	11.24	11.24	11.24	11.24
Class 3 - Supportive Housing	1.00	1.00	1.00	1.00
Class 4 - Major Industry	2.91	1.76	1.65	1.60
Class 5 - Light Industry	2.06	1.51	1.38	1.38
Class 6 - Business & Other	2.25	1.98	1.92	1.88
Class 7 - Managed Forest	2.91	1.76	1.65	1.60
Class 8 - Recreation/Non Profit	1.00	1.00	1.00	1.00
Class 9 - Farm	1.00	1.00	1.00	1.00

In Table 2 below (multiplier scenarios) we further analyze the assessment classes. Under Scenario 1 (previous year multipliers), residential industry class would be contributing 0.3 of a percentage point less than the pre growth 7.84% budgeted rate. Scenario 2 follows and provides data for the proposed reduction in multipliers for class 4 and 6 to reduce the additional burden to those classes.

Scenario 1 (Prev year multpliers)	2025			2026			% Tax Incr Over 2025
	Tax Collected	Multiplier	% Collected	Tax Collected	Multiplier	% Collected	
Class 1 - Residential	39,905,036	1.00	85.653	42,918,532	1.00	85.083	7.55%
Class 2 - Utilities	219,508	11.24	0.471	243,662	11.24	0.483	11.00%
Class 4 - Major Industry	197,378	1.65	0.424	225,086	1.65	0.446	14.04%
Class 5 - Light Industry	1,075,085	1.38	2.308	1,149,233	1.38	2.278	6.90%
Class 6 - Business & Other	5,124,700	1.92	11.000	5,838,264	1.92	11.574	13.92%
Class 8 - Recreation/Non Profit	56,209	1.00	0.121	55,713	1.00	0.110	-0.88%
Class 9 - Farm	11,401	1.00	0.024	12,459	1.00	0.025	9.28%
	46,589,318		100	50,442,949		100	

Scenario 2 (Adjusted multpliers)	2025			2026			% Tax Incr Over 2025
	Tax Collected	Multiplier	% Collected	Tax Collected	Adj Multiplier	% Collected	
Class 1 - Residential	39,905,036	1.00	85.653	43,028,101	1.00	85.301	7.826%
Class 2 - Utilities	219,508	11.24	0.471	244,284	11.24	0.484	11.29%
Class 4 - Major Industry	197,378	1.65	0.424	218,822	1.60	0.434	10.86%
Class 5 - Light Industry	1,075,085	1.38	2.308	1,152,167	1.38	2.284	7.17%
Class 6 - Business & Other	5,124,700	1.92	11.000	5,731,228	1.88	11.362	11.84%
Class 8 - Recreation/Non Profit	56,209	1.00	0.121	55,855	1.00	0.111	-0.63%
Class 9 - Farm	11,401	1.00	0.024	12,490	1.00	0.025	9.55%
	46,589,318		100	50,442,948		100	

\*total tax collected in table does not include amounts for library and storm drainage

The following table (Table 3) compares the current year's revised assessment roll and tax requisition to the previous year and indicates how the class weighting has continued to shift further towards commercial classes from residential. The shift in 2026 continues this trend from 2025, continuing to return the residential class towards the share of 84.9% in 2023. Changes in 2026 also continue to see increases in assessments for major industry and business, which makes the effects on business and industry potentially much more pronounced since the assessment share for these classes is so much less than residential.

City of West Kelowna Property Tax Comparison by Class							
General Tax Levy 2026 vs 2025							
Property Class	2025 Assessment	2025	2025 Tax	2026 Assessment	2026	2026 Tax	Change in
	Value	% Share	Requisition	Value	% Share	Requisition	%
Class 1 - Residential	14,373,356,183	85.653	39,905,036	14,360,972,545	85.301	43,028,083	-0.352
Class 2 - Utilities	7,034,201	0.471	219,508	7,253,701	0.484	244,283	0.013
Class 3 - Supportive Housing	0	0.000	0	0	0.000	0	0.000
Class 4 - Major Industry	43,087,000	0.424	197,378	45,646,000	0.434	218,822	0.010
Class 5 - Light Industry	280,604,100	2.308	1,075,085	278,655,800	2.284	1,152,167	-0.023
Class 6 - Business & Other	961,385,750	11.000	5,124,700	1,017,469,800	11.362	5,731,226	0.362
Class 7 - Managed Forest	0	0.000	0	0	0.000	0	0.000
Class 8 - Recreation/Non Profit	20,246,000	0.121	56,209	18,642,100	0.111	55,855	-0.010
Class 9 - Farm	4,106,646	0.024	11,401	4,168,771	0.025	12,490	0.000
	15,689,819,880		46,589,318	15,732,808,717		50,442,927	
<b>Other Separate Tax Notice Items</b>							
Library			1,944,578			2,002,931	
Storm Sewer			490,340			420,940	
<b>Total Tax Levy</b>		100.000	<b>49,024,236</b>		100.000	<b>52,866,798</b>	

**Alternate Recommendation:**

**THAT** Council approve the unadjusted tax multiplier as per Scenario 1 on page 4 of the report from the Acting CFO dated April 28, 2026;

**AND THAT** “2026 Tax Rates Bylaw No. 0344, 2026” be altered accordingly;

**AND FURTHER THAT** “2026 Tax Rates Bylaw No. 0344, 2026” be read a first, second and third time as altered.

PowerPoint: Yes  No

Attachments:

1. B0344 Tax Rates Bylaw 2026