



REPORT TO COUNCIL

To: **Mayor and Councillors**

Subject: 2020 UBCM Resolution – Varied Taxation Rate for
the Residential Class

File #: 1950.00

Doc #: 170509

From: Darrin Leite, CPA, CA
Director of Corporate Services

Date: February 18, 2020

RECOMMENDATION:

THAT City Council endorse the following resolution for submission to the 2020 Lower Mainland Local Government Association (LMLGA) Conference for consideration of endorsement and subsequent submission to the 2020 Union of BC Municipalities (UBCM) Convention for consideration of endorsement:

WHEREAS the Province of British Columbia through the BC Assessment Act – Prescribed Classes of Property Regulation B.C. Reg. 438/81 specifies that there is one assessment class for all types of residential properties and the Community Charter outlines that a municipal bylaw to establish the property value taxes each year under section 197 (3) specifies there is a single rate for each property class;

AND WHEREAS the assessed value of the multi-family strata units and single family housing appreciates at vastly different rates, leading to large fluctuations and tax rate swings year-to-year between these housing types;

THEREFORE BE IT RESOLVED that the Province of British Columbia amend the BC Assessment Act and the Community Charter to allow the residential class to be split into two distinct residential classes so that a different rate may be applied to each type of residential property to allow for better tax planning, and a more consistent application of property tax changes for all residents no matter their housing type.

PURPOSE:

The purpose of the report is to seek Council's support of a resolution to be forwarded to UBCM asking the Provincial Government to allow two property tax rates for the residential property class.

POLICY:

None.

COMMENTS/ANALYSIS:

The City of Langley's residential property class is comprised of 64% multi-family residential strata units compared to 36% of the housing stock categorized as single family residential properties. In the last two years, the assessed value of multi-family strata units have increased at a faster pace than single family home assessments.

Average Single Family Residential						
Assessed Value					Tax Rate \$	Tax Rate %
		Increase	% Increase			
2019	\$ 886,095	\$ 58,510	7.07%	\$ 2.05	0.10%	
2018	\$ 827,585	\$ 98,731	13.55%	-\$ 8.40	-0.41%	
2017	\$ 728,855	\$ 185,056	34.03%	\$ 106.08	5.41%	
2016	\$ 543,799	\$ 56,980	11.70%	\$ 70.63	3.74%	
2015	\$ 486,818	\$ 24,395	5.28%	\$ 91.73	5.10%	
2014	\$ 462,423	\$ 3,381	0.74%	\$ 49.68	2.84%	
Average Multi-Family Residential						
Assessed Value					Tax Rate \$	Tax Rate %
		Increase	% Increase			
2019	\$ 407,053	\$ 81,437	25.01%	\$ 136.54	16.87%	
2018	\$ 325,616	\$ 75,767	30.33%	\$ 101.32	14.31%	
2017	\$ 249,849	\$ 44,687	21.78%	-\$ 31.18	-4.22%	
2016	\$ 205,161	\$ 4,505	2.25%	-\$ 39.27	-5.04%	
2015	\$ 200,656	-\$ 5,372	-2.61%	-\$ 22.14	-2.77%	
2014	\$ 206,029	-\$ 4,274	-2.03%	\$ 0.13	0.02%	

The Province of British Columbia specifies in both the BC Assessment Act and the Community Charter that there is only one residential class and that there is

only one rate that municipalities can apply to the residential class. In 2019, this has resulted in multi-family strata unit property value taxes, increasing on average (\$137) or (16.87%) however, for single family residential properties, property value taxes are increasing on average \$2 or 0.10%. In the last two years, the average single family residential properties has seen a decrease in taxation of \$6 but the average strata dwelling increased \$238 over the same period.

If the residential property class was split into two separate classes the municipality could adjust the rate for the single family properties to ensure these properties contribute their proportional share of the tax increase required in any given year.

BUDGET IMPLICATIONS:

None

ALTERNATIVES:

Council could alter the motion or choose to not support the motion.

Respectfully Submitted,



Darrin Leite, CPA, CA
Director of Corporate Services

CHIEF ADMINISTRATIVE OFFICER'S COMMENTS:

I support the recommendation.



Francis Cheung, P. Eng.
Chief Administrative Officer