

CITY OF PRINCE RUPERT  
REPORT TO COUNCIL

**DATE:** April 12, 2010  
**FROM:** Dan Rodin, Chief Financial Officer  
**SUBJECT:** 2010 PROPERTY LEVY ADJUSTMENT

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**RECOMMENDATION:**

**THAT Council by resolution select either Appendix "A1" which levies the property tax using the regular property taxation calculation methodology or Appendix "A2" which shifts a portion of the property tax burden from Class Six (6) Business to Class One (1) Residential as the Appendix which will establish the property tax rates for 2010.**

**BACKGROUND:**

Each year the City of Prince Rupert must prepare a Five Year Financial Plan. Accompanying the Financial Plan is a Property Tax Bylaw that levies the required property taxes proposed by the Financial Plan.

**CURRENT:**

In response to the local economy, there has been some discussion about shifting a portion of the property tax burden from Business Class taxpayers to Residential Class taxpayers.

**HOW PROPERTY TAXES ARE CALCULATED:**

Historically, there was a ratio between the municipal tax levies on the property classes. When additional taxes were required, the percentage increase was calculated, and this percentage increase was then used to increase the percentage tax levy for each property tax.

Government regulation requires that the ratios between the municipal property tax classes are also used as the ratios for the Skeena Queen Charlotte Regional District levies. This means that if there is a shift of the City of Prince Rupert municipal property tax burden from one Property Class to another by changing a ratio, there will be a similar shift in Skeena Queen Charlotte Regional District property tax burden.

**2010 TAX LEVIES:**

The 2010 Financial Plan proposes a Municipal Property Tax increase of 3.53%. This is an increase of \$353,000. By making the Municipal Property Tax increase for Residential Class property larger than the Municipal Property Tax increase for Business Class property it is possible to shift the burden of the 2010 tax increase. In the example below \$55,000 or fifteen percent (15%) of the proposed property tax increase has been shifted from the Business Class properties to the Residential Class properties.

CITY OF PRINCE RUPERT

CERTIFIED TRUE COPY  
*[Signature]*

2010 PROPERTY TAX BYLAW 3296, 2010

A BYLAW FOR THE LEVYING OF PROPERTY TAX RATES FOR FISCAL PERIOD  
2010.

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The Council of the City of Prince Rupert in open meeting assembled enacts as follows:

1. The property tax rates of **Schedule "A"** attached hereto and forming this Bylaw is hereby imposed and levied for the year 2010.
2. The minimum amount of taxation upon a parcel of real property shall be One Dollar (\$1.00)
3. This Bylaw may be cited as "2010 Property Tax Bylaw No. 3296, 2010".

READ A FIRST TIME this 12<sup>th</sup> day of April, 2010.

READ A SECOND TIME this 12<sup>th</sup> day of April, 2010.

READ A THIRD TIME this 12<sup>th</sup> day of April, 2010.

FINALLY CONSIDERED AND ADOPTED this 10<sup>th</sup> day of May, 2010.

*[Signature]*  
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MAYOR

*[Signature]*  
\_\_\_\_\_  
CORPORATE ADMINISTRATOR

**SCHEDULE "A" - PROPERTY TAX RATES**

| Schedule "A2"                              |             |          |                |                             |                             |                |          |                        |
|--|-------------|----------|----------------|-----------------------------|-----------------------------|----------------|----------|------------------------|
| City of Prince Rupert                      |             |          |                |                             |                             |                |          |                        |
| 2010 Property Tax Rates                    |             |          |                |                             |                             |                |          |                        |
| "Tax Shift" Methodology                    |             |          |                |                             |                             |                |          |                        |
| (Average of 3.53 % Property Tax Increase)  |             |          |                |                             |                             |                |          |                        |
| Dollar of Tax per \$1,000 of Taxable Value |             |          |                |                             |                             |                |          |                        |
| 9-Apr-10                                   |             |          |                |                             |                             |                |          |                        |
| Classification                             | Residential | Utility  | Major Industry | Major Industry Port ("Old") | Major Industry Port ("New") | Light Industry | Business | Recreation/ Non Profit |
| Class No.                                  | 1           | 2        | 4              | 4a                          | 4b                          | 5              | 6        | 8                      |
| Municipal Levy                             | 9.12937     | 43.81913 | 39.69236       | 27.50000                    | 22.50000                    | 34.43960       | 26.66596 | 6.43091                |
| Regional District                          | 0.33341     | 1.60037  | 1.45033        | 1.00356                     | 0.2019                      | 1.25696        | 0.97356  | 0.23339                |
| SCQ Regional Hospital                      | 0.09250     | 0.32375  | 0.31450        | 0.31450                     | 0.31450                     | 0.31450        | 0.22663  | 0.09250                |
| NW Regional Hospital                       | 0.39572     | 1.38504  | 1.34546        | 1.34546                     | 1.34546                     | 1.34546        | 0.96953  | 0.39572                |
|  | ✓           | ✓        | ✓              | ✓                           | ✓                           | ✓              | ✓        | ✓                      |

Dan Rodin  
 Chief Financial Officer  
 City of Prince Rupert

Bylaw 3286, 2010

April 12, 2010

*Table 1*

| Municipal Tax Levy |                |                |            |
|--------------------|----------------|----------------|------------|
| Tax Increase       | Regular Method | Tax Shift      | Net Change |
| Residential        | 207,000        | 262,000        | (55,000)   |
| Business           | 146,000        | 91,000         | 55,000     |
| <b>Total</b>       | <b>353,000</b> | <b>353,000</b> | <b>-</b>   |

This shift also changes each property classification percentage of total Municipal Taxes levied.

*Table 2*

| Municipal Tax Levy         |                |            |            |
|----------------------------|----------------|------------|------------|
| Percentage (%) Contributed | Regular Method | Tax Shift  | Net Change |
| Residential                | 44%            | 45%        | 1%         |
| Business                   | 32%            | 31%        | -1%        |
| <b>Total</b>               | <b>76%</b>     | <b>76%</b> | <b>0%</b>  |

There is also a slight shift in the amount each property class contributes to the Regional District levy.

*Table 3*

| Regional District Tax Levy |                  |                |            |
|----------------------------|------------------|----------------|------------|
| Contribution               | "Regular" Method | Tax Shift      | Net Change |
| Residential                | 220,300          | 222,500        | 2,200      |
| Business                   | 156,200          | 154,000        | (2,200)    |
| <b>Total</b>               | <b>376,500</b>   | <b>376,500</b> | <b>-</b>   |

**CONCLUSION:**

By selecting by Council Resolution one of the attached Appendices to be the 2010 Property Tax Bylaw Council will be then able to give Three Readings of the Bylaw.

April 12, 2010

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Reviewed by City Manager

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Dan Rodin  
Chief Financial Officer

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Gord Howie

Attachments:

- A1 – “Regular” Methodology Property Tax Calculation
- A2 – “Tax Shift” Methodology Property Tax Calculation

**Schedule "A1"**  
**City of Prince Rupert**  
**2010 Property Tax Rates**  
**Regular Methodology**  
**(3.53 % Property Tax Increase)**  
**Dollar of Tax per \$1,000 of Taxable Value**  
**9-Apr-10**

| Classification        | Residential | Utility  | Major Industry | Major Industry Port ("Old") | Major Industry Port ("New") | Light Industry | Business | Recreation/ Non Profit |
|-----------------------|-------------|----------|----------------|-----------------------------|-----------------------------|----------------|----------|------------------------|
| Class No.             | 1           | 2        | 4              | 4a                          | 4b                          | 5              | 6        | 8                      |
| Municipal Levy        | 9.04731     | 43.81913 | 39.69236       | 27.50000                    | 22.50000                    | 34.43960       | 27.01298 | 6.43091                |
| Regional District     | 0.33012     | 1.59778  | 1.44923        | 1.00356                     | 0.82200                     | 1.25776        | 0.98706  | 0.23439                |
| SCQ Regional Hospital | 0.09250     | 0.32375  | 0.31450        | 0.31450                     | 0.31450                     | 0.31450        | 0.22663  | 0.09250                |
| NW Regional Hospital  | 0.39572     | 1.38504  | 1.34546        | 1.34546                     | 1.34546                     | 1.34546        | 0.96953  | 0.39572                |

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Bylaw 3286, 2010

**Schedule "A2"**  
**City of Prince Rupert**  
**2010 Property Tax Rates**  
**"Tax Shift" Methodology**  
**(Average of 3.53 % Property Tax Increase)**  
**Dollar of Tax per \$1,000 of Taxable Value**  
**9-Apr-10**

| Classification        | Residential | Utility  | Major Industry | Major Industry Port ("Old") | Major Industry Port ("New") | Light Industry | Business | Recreation/ Non Profit |
|-----------------------|-------------|----------|----------------|-----------------------------|-----------------------------|----------------|----------|------------------------|
| Class No.             | 1           | 2        | 4              | 4a                          | 4b                          | 5              | 6        | 8                      |
| Municipal Levy        | 9.12937     | 43.81913 | 39.69236       | 27.50000                    | 22.50000                    | 34.43960       | 26.66596 | 6.43091                |
| Regional District     | 0.33341     | 1.60037  | 1.45033        | 1.00356                     | 0.82019                     | 1.25696        | 0.97356  | 0.23339                |
| SCQ Regional Hospital | 0.09250     | 0.32375  | 0.31450        | 0.31450                     | 0.31450                     | 0.31450        | 0.22663  | 0.09250                |
| NW Regional Hospital  | 0.39572     | 1.38504  | 1.34546        | 1.34546                     | 1.34546                     | 1.34546        | 0.96953  | 0.39572                |

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