

AGENDA INFORMATION	
☐ Regular Meeting	Date: _____
☒ Other:	Date: April 20, 2026


 Dept.
Manager


 GM/
Director


 CAO

The District of North Vancouver REPORT TO COUNCIL

April 7, 2026
File: Property Tax Distribution

AUTHOR: Daniel So, Section Manager, Revenue and Taxation

SUBJECT: Distribution of 2026 Property Tax Levy

RECOMMENDATION:

THAT the Committee of the whole recommend that Council endorse an even distribution of the 2026 municipal property tax levy;

AND THAT the Committee of the whole recommend that Council direct administration to bring forward the 2026 Tax Rates Bylaw for adoption prior to the May 15, 2026, statutory deadline;

AND THAT the Committee of the whole recommend that Council direct administration to prepare a resolution to the Union of British Columbia Municipalities (UBCM) regarding the Port Property Tax Act for consideration at the next regular council meeting for submission to the 2026 UBCM Convention.

REASON FOR REPORT:

Council must establish how the property tax levy, finalized during the budget process, will be distributed among the property tax classes prior to tax notices being issued in May.

SUMMARY:

The District's property tax strategy is designed to maintain competitive tax rates within the region that support both the local economy and sustainable service delivery. Historically, strategies have included even distribution of the tax levy, shifts between the property classes and reinvestment of growth within a class.

For 2026, staff recommend even distribution of the property tax levy. Heightened economic uncertainty related to external trade risks and global conflict has resulted in lower projections for growth and higher projected inflation in Canada¹, supporting an approach focused on stability. As the tax rate for the Light Industry class remains above the regional average, additional options for this class are presented for Council's consideration. These options

¹ Organization for Economic Co-operation and Development (OECD) [Economic Outlook Interim Report March 2026](#).

enable Council to consider the timing and degree of intervention while maintaining flexibility to address structural inequities, including those arising from the Ports Property Tax Act, through subsequent policy and advocacy work.

BACKGROUND:

In British Columbia, properties are grouped into nine assessment classes. Council may set different tax rates for each property class, except where provincial legislation requires otherwise. This system helps ensure fairness by applying the same tax treatment to properties with similar uses.

In 2025, Council approved an even distribution of the property tax levy. A 20-year history of Council decisions is included in Attachment 1.

Since last year's workshop, staff continued work on the commercial property classes, including initiating and participating in regional collaboration efforts to address inequities within the PPTA:

- In September 2025, the District of North Vancouver and the City of Prince Rupert convened a meeting with ten PPTA-impacted municipalities, confirming strong interest in forming a consortium to support joint research, analysis, and advocacy.
- Staff is working with BC Assessment's Data Partnership division to establish a data-sharing licence agreement, ensuring access to consistent assessment datasets for comparative impact analysis.
- Staff continues to explore options to address the gap between legislated assessment caps and market value.

EXISTING POLICY:

The District's property tax strategy is designed to keep the tax rates within each property class competitive within the region by:

- Harmonizing tax rates with the regional average,
- Reinvesting tax growth within the class to reduce the tax rate if a tax rate is above the regional average,
- Shifting taxes between property classes to reduce the tax rate when tax growth alone is unable to reduce the tax rate.

Economic Development Strategy

Objective 1, Create employment space

Initiative 1.3: Explore temporary property tax relief for businesses impacted by rent increases due to redevelopment

When setting tax rates, the District must also comply with applicable legislation including the Community Charter, Assessment Act, Ports Property Tax Act, Eligible Port Property Designation Regulation, Port Land Valuation Regulation, and Bill 28 – Municipal Affairs Statutes (Property Taxation) Amendment Act.

ANALYSIS:

While the District has generally maintained competitive tax rates within the region, Council has the opportunity to redistribute the tax burden, where appropriate, through the 2026 property tax levy to support a more balanced distribution and address issues affecting the commercial classes. At the same time, increased uncertainty related to US tariffs and ongoing conflict in the Middle East has led to lower projections for growth and higher projections for inflation in Canada. With this in mind, staff recommends maintaining an even distribution for the current year.

Class 1 and 3, Residential and Supportive Housing

The demand for affordable housing remains strong. In response, as Council is aware, both the federal and provincial governments have developed housing strategies aimed at boosting construction of both market and non-market housing with a goal to support a more accessible housing market, address affordability concerns and create sustainable communities that can accommodate future growth.

Development potential created through new provincial housing legislation is likely to lead to increases in residential property valuations in due course. Staff is continuing to monitor the assessment roll for property value increases. BC Assessment has stated that current practice provides that property values will increase when there is evidence that development potential is affecting market movement, as seen through property sales. There has been no noticeable impact on residential property values to date. There were 415 units added to the residential class last year and the residential tax rate continues to be healthy in comparison to the lower mainland regional average.

The 2026 BC Provincial budget tabled in February included changes to the [Provincial Property Tax Deferment](#) program. Starting with 2026 tax deferrals, interest will increase from prime minus 2% or prime (depending on the deferment program) to prime plus 2%. Interest charges will change from simple interest to compounded monthly. Existing deferrals from 2025 and earlier remain unchanged. While repayment can be deferred until the property is sold or transferred, the higher rate and compounding will cause balances to grow faster over time, reducing homeowners' equity.

As of 2026, 45 Class 1 (Residential) properties comprising 1,882 housing units, are considered as affordable housing². Two residential properties comprising 10 housing units are classified as Class 3 (Supportive Housing). As affordable and social housing units are restricted for specific purposes, BC Assessment bases their value on rental income generated, which generally results in values at roughly 50% of market housing, or approximately \$1.9 million in foregone property tax revenue per year. As future affordable and supportive housing projects are completed, new properties will be added to these classes.

² Include non-market social and supportive housing, co-op housing, and below-market units.

Property Class	Share of Property Taxes	Housing Units	Property Tax Exemptions	2025 Tax Rates	
				DNV	Region
1. Residential (a)	71.9%	39,010	\$ 248,100	\$ 1.71 	\$ 2.05
3. Supportive Housing	0.0%	10	\$ -	\$ - 	\$ -

(a) includes ~1,882 units of affordable housing, with estimated foregone tax revenue of \$1.9 million per year.

Class 4, Major Industry

Major Industry – Capped

In 2003, the Province announced the B.C. Ports Competitive Initiative to support the competitiveness of B.C.'s marine transport industry. This initiative was brought into force in 2004 as a five-year, temporary program. The program was extended for ten years in 2007 and then made permanent in 2014. The ports competitiveness initiative includes the Ports Property Tax Act and rules for land valuation in the Assessment Act. The Ports Property Tax Act sets a maximum municipal tax rate in relation to the Class 4 (Major Industry) portion of eligible port properties of \$27.50 per \$1,000 of assessed value. The Act also imposes a municipal tax rate cap of \$22.50 per \$1,000 on any new investment which occurs on a designated port property. The objective of the Act is to provide stability and predictability to the taxation environment of port terminals within the province in order to attract investment and ensure BC's ports system remains competitive with other jurisdictions, particularly US-based Pacific ports.

Staff continue to review the impacts from the PPTA and the taxation inequities it has created since its enactment. Under the current program, the market value for land in the uncapped properties has grown disproportionately: uncapped properties are now valued at approximately 10.7 times that of the capped properties due to provincial restrictions.

Resolving the issues created by the legislation is part of ongoing regional and provincial discussions on Municipal Finance Reform. The District is part of a consortium of municipalities affected by the PPTA working toward that goal. Despite assurance to the contrary, the PPTA has not kept local governments whole. Staff estimate the annual lost revenue to the District due to this legislation to be in the range of \$4.6 million per year as of 2026.

Staff are seeking direction to work collaboratively with other host municipalities to jointly advance and submit a draft resolution to the Union of British Columbia Municipalities (UBCM) calling on the Province to work with host municipalities to modernize or repeal the Ports Property Tax Act, with submission targeted for the June 15, 2026 UBCM deadline.

Major Industry - Uncapped

Several multi-year appeals in Class 4 were resolved in 2025. However, 6 folios are appealing their 2026 property assessment, including 2 folios with outstanding multi-year appeals. Staff will continue to monitor these appeals to ensure the District's interests are represented.

Despite uncertainty presented by US tariffs and conflict in the Middle East, major industrial properties in the District are continuing to invest in their properties. On May 26, 2025, Council granted HTEC the development permit to develop a hydrogen liquefaction plant on the same site as the existing ERCO Worldwide sodium chlorate plant. Chemtrade Logistics Inc. submitted a detailed application in October 2025 to develop a railcar loading building and condenser tower on the site of their current chlor-alkali facility.

Rate Reduction History:

Prior to the implementation of the District's property tax strategy in 2010, non-capped major industrial property owners lobbied Council to reduce the tax rate applied on their property assessments in order to incentivize greater investments in their property footprints. The tax rate at that time was \$47.62 (2009).

Beginning in 2010, Council, through the property tax strategy, implemented progressive reductions in property taxes for non-capped major industrial properties by not levying property taxes on new investments within the class, which drove the rate down. The strategy was paused in 2018 when land valuations were reindexed, and rates started to decrease based solely upon appreciation in market valuation. Rates today are now far below the regional average, with the class paying approximately \$2.7 million less per year through the tax relief applied over 2010 to 2018. The cumulative benefit since the inception of the strategy is approximately \$28 million in reduced property taxes.

Staff have included an option to shift approximately \$107 thousand in property taxes per year over the next three years to this class from Class 5 Light industry to align those rates closer to the regional averages. With this shift, the rate for major industry - non capped would increase from \$15.98 to \$16.18 but remain \$8.40 below last year's regional average of \$24.58.

Property Class	Share of Property Taxes	# Folios	Land Value per Acre m\$	PPTA Compensation m\$	2025 Tax Rates	
					DNV	Region
4. Major Industry (Uncapped)	5.9%	13	\$ 4.32	N/A	\$ 13.86 ?	\$ 24.58
4. Major Industry (Capped)	5.0%	7	\$ 0.41	\$ 1.09	\$ 27.50 ?	\$ 27.50

Class 5 and 6, Light Industry and Business

In the region, BC Assessment's application of "highest and best use" property valuations has resulted in property tax increases for business operators with underdeveloped properties.

These increases occurred shortly after Council approved formal OCP development plans and guidelines beginning in late 2012.

In November 2022 the Province enacted Bill 28, enabling municipalities to provide targeted tax relief for Class 5 and 6 properties that have experienced disproportionate property-tax increases attributable to increased development potential. Staff conduct annual reviews to determine eligibility for relief under the Act. This year's review, consistent with prior years' reviews, concluded that properties previously affected by development potential are no longer subject to those valuation effects, and consequently no properties were identified as eligible for tax relief.

As the light industrial class is affected similarly to the business class as described above, some municipalities in the region have started to move to equalize tax rates for these two classes. An equalization of tax rates between the two classes may be feasible when the uses are similar. Maintaining two distinct rates based on the nature of each class may better support business if light manufacturing activities are occurring without a significant retail component. The District's light industrial tax rate, which has been monitored over the past few years, is higher than the regional average. However, the activities carried out by class participants are primarily light manufacturing-based, which may not warrant the same rate as applied to commercial businesses.

The 2026 BC Provincial budget expands Provincial Sales Tax (PST) to include certain professional services, including accounting, bookkeeping, architectural, and engineering and geoscience services. This will increase professional service costs for businesses and create additional administrative burden for affected service providers.

To keep the District's tax rates competitive, staff propose bringing the Light Industry tax rate closer to the regional average through two approaches. The first is to start reinvesting tax growth within the class to drive the rate down. There is \$54 thousand in tax growth available in the current year to support this option. Another option is to reallocate approximately \$107 thousand in property tax revenue annually over a three-year period from Class 5 Light Industry to either Class 4 Major Industry or, alternatively Class 1 Residential.

Property Class	Share of Property Taxes	# Folios	Property Tax Exemptions	2025 Tax Rates	
				DNV	Region
5. Light Industry	0.9%	39	\$ -	\$ 6.23 	\$ 5.34
6. Business	15.8%	1,172	\$ 218,400	\$ 4.80 	\$ 5.01

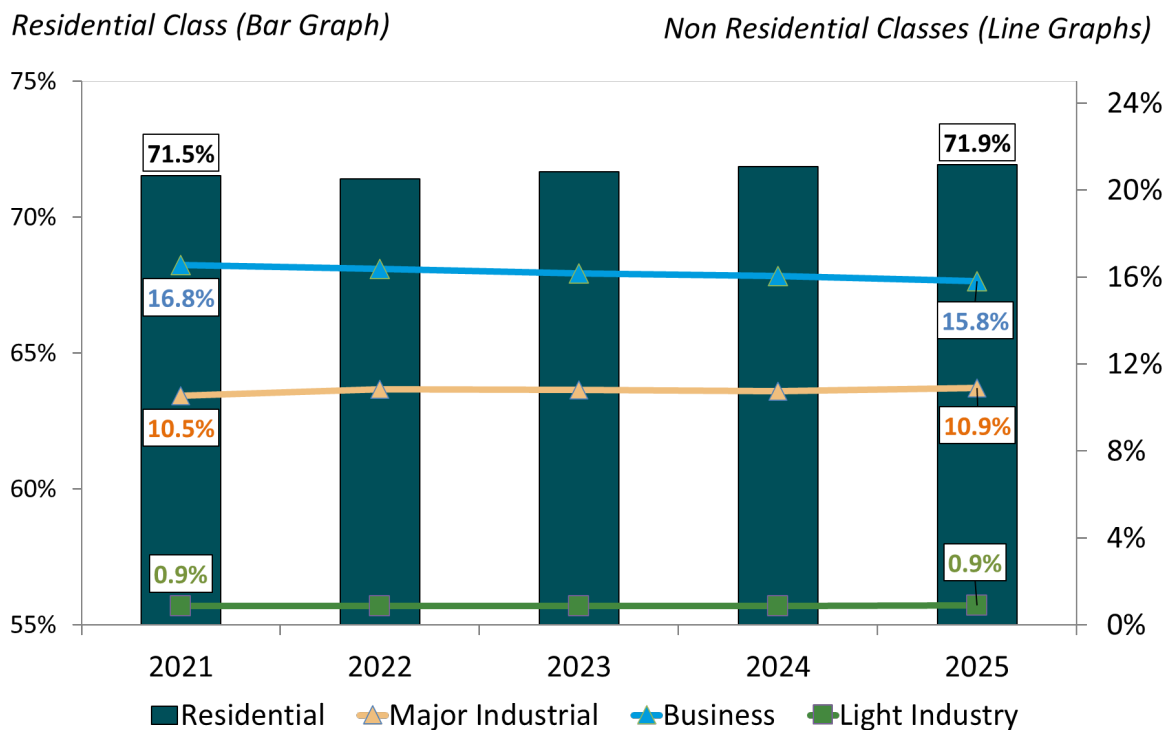
Class 8 Recreation

The recreation class is a smaller class with 0.2% of the overall assessment valuation and a 0.3% share of the property tax levy. The class includes golf courses, local ski hills, waterfront marinas and the Capilano Suspension Bridge. Staff will continue to gather additional information on this class, monitor the tax rate, and determine whether intervention is required to align with regional average.

Property Class	Share of Property Taxes	# Folios	Property Tax Exemptions	2025 Tax Rates	
				DNV	Region
8. Recreation	0.3%	21	\$ 100,700	\$ 4.13 ?	\$ 3.97

Tax Shares

The share of municipal property taxes among the classes has remained relatively steady since 2020, with the residential class at 71.9% and commercial classes at 28.1% in 2025. A consistent growth in assessment values and an even distribution of the tax levy has supported this stability.



Timing/Approval Process:

The Revised Property Assessment Roll was issued on March 31st by BC Assessment and details are still being analysed. The draft presentation for the Tax Distribution Workshop is included in Attachment 2, and a final version will be circulated through agenda addendum on April 17.

Following the Tax Distribution Workshop, the 2026 Tax Rates Bylaw will be brought to a regular meeting of Council for first three readings on Monday, May 4, with adoption scheduled for Monday, May 11. The statutory deadline for adoption of the bylaw is May 15.

Staff will report back on options to address inequities arising from the Ports Property Tax Act (PPTA) before the end of May and will bring back updates to the Property Tax Strategy in the first quarter of 2027.

Concurrence:

This report has been reviewed with the Business and Economic Development and Strategic Communications and Community Relations departments.

Financial Impacts:

The property tax levy is adjusted annually through the budget process to advance community goals and support sustainable service delivery.

Distribution of the property tax levy amongst the property taxes provides Council an opportunity to adjust tax rates to ensure they remain competitive and to support economic development objectives. A shift in the distribution of the property tax levy among the property tax classes will not change the total revenue requirement to be levied.

Reinvesting tax growth within a property class lowers the effective tax rate. This generates less tax revenue and reduce the amount available for contribution to the Tax Growth Reserve.

Liability/Risk:

US tariffs are continuing to create uncertainty in the Canadian economy while the conflict in the Middle East has the potential to increase inflation and negatively impact both business and residents.

With Metro Vancouver's Liquid Waste charges projected to increase over 300% from 2024 to 2029, utility fee charges for the District's residents and business will continue to impact affordability. Metro Vancouver's Liquid Waste charges for industrial use remain relatively flat over this period. The Mayors of the City and District of North Vancouver have met with the Premier to request a public inquiry into the NSWWTP cost overruns, an arm's length governance review of Metro Vancouver, and a fairness mechanism preventing municipalities from bearing unforeseen costs under existing cost-sharing formulas.

Property tax risks related to assessment appeals in the major industry class are making their way through the Property Assessment Appeal Board. Assessment appeals pertaining to properties in the other classes are expected to remain consistent with prior years for 2026. The District manages these risks through the assessment appeals reserve.

Conclusion:

The District has been relatively successful in maintaining competitive tax rates within the region over the last five years, although the Light Industry and Recreation classes continue to be above the regional average.

Ongoing economic uncertainty supports a cautious approach for 2026. Accordingly, staff recommend an even distribution of the property tax levy for the current year. At the same time, staff recognize that structural inequities remain within certain property tax classes,

including those linked to provincially legislated constraints under the Ports Property Tax Act. The options presented provide Council with flexibility to consider alternative distribution approaches, while further analysis and coordinated advocacy will be advanced and reported back later in 2026.

Options:

Council may consider the following options with respect to the distribution of the 2026 Property Tax Levy.

Common Direction (Applies to All Options)

Under each option, Council direction would include the following:

- THAT the Committee of the whole recommend that Council direct administration to bring forward the 2026 Tax Rates Bylaw for adoption prior to the May 15, 2026, statutory deadline;
- AND THAT the Committee of the whole recommend that Council direct administration to prepare a resolution to the Union of British Columbia Municipalities (UBCM) regarding the Port Property Tax Act for consideration at the next regular council meeting for submission to the 2026 UBCM Convention.

Option 1 – Endorse Even Distribution (staff recommendation)

- THAT an even distribution of the 2026 Property Tax Levy be endorsed.

Impact: Maintains current class relationships and provides stability across all property classes while advancing advocacy on port-related taxation inequities.

Option 2 – Reinvest Light Industry Growth within the Class

- THAT 2026 tax growth within the Light Industry property class be reinvested within the class to move the Light Industry class rate closer to the regional average.

Impact: Redirects incremental growth within the Light Industry class, modestly improving alignment with regional rates without shifting tax burden between classes.

Option 3 – Three-Year Shift From Light Industry to Major Industry or Residential Classes

- THAT a three-year tax shift of \$107,000 per year from the Light Industry class to the Major Industry (Option 3a) or alternatively to the Residential class (Option 3b) be approved to align the Light Industry tax rate to the regional average.

Impact: Introduces a phased redistribution between classes, accelerating rate alignment for Light Industry.

Summary of Options and Tax Rates

Property Class	2026 Tax Rates				2025 Tax Rates	
	Option 1	Option 2	Option 3a	Option 3b	DNV	Region
1. Residential	\$ 1.83	\$ 1.83	\$ 1.83	\$ 1.84	\$ 1.71 ✓	\$ 2.05
4. Major Industry (Uncapped)	\$ 15.98	\$ 15.98	\$ 16.18	\$ 15.98	\$ 13.86 ?	\$ 24.58
5. Light Industry	\$ 7.15	\$ 6.84	\$ 6.54	\$ 6.54	\$ 6.23 ✗	\$ 5.34
6. Business	\$ 5.31	\$ 5.31	\$ 5.31	\$ 5.31	\$ 4.80 ✓	\$ 5.01
8. Recreation	\$ 4.57	\$ 4.57	\$ 4.57	\$ 4.57	\$ 4.13 ?	\$ 3.97

Respectfully submitted,



Daniel So
Section Manager, Revenue and Taxation

Attachments

1. Property Tax Distribution History
2. Draft Presentation (to be updated through agenda addenda April 17)

Tax Increase by Property Class

The table below provides a chronology of Council decisions, including tax shifts between the classes and reinvestment of tax growth within a class to bring rates down. Over the last 20 years, overall tax increases have been relatively stable, while Major Industry experienced sustained reductions and volatility due to capping and appeals, resulting in a materially lower average annual increase.

Legend: ↑ Above overall tax increase ↓ Below overall tax increase

Year	Overall Increase	Residential	Major Industry (Uncapped)	Light Industrial	Business
Av. Compound Annual Increase ²	3.53%	↑ 3.60%	↓ 1.04%	↓ -0.31%	↓ 3.39%
2006	4.35%	↑ 4.75%	↑ 7.62%	4.35%	↓ 2.00%
2007	4.50%	4.50%	4.50%	4.50%	4.50%
2008	4.50%	4.50%	↓ 3.00%	4.50%	4.50%
2009	4.25%	↑ 4.50%	4.25%	↓ -6.62%	4.25%
2010	3.00%	↑ 3.24%	↓ -7.08%	↓ -8.75%	3.00%
2011	3.00%	↑ 3.50%	↓ -4.26%	↓ -27.99%	3.00%
2012	2.00%	↑ 2.22%	↓ -5.95%	↓ -13.69%	2.00%
2013	2.50%	2.50%	↓ -1.24%	2.50%	2.50%
2014	2.50%	↓ 2.25%	↓ -6.16%	2.50%	↓ 2.00%
2015	2.50%	2.50%	↓ -5.55%	2.50%	2.50%
2016	3.00%	3.00%	↓ -5.64%	3.00%	3.00%
2017	3.00%	3.00%	↑ 8.14%	3.00%	3.00%
2018	3.00%	3.00%	↑ 72.51%	3.00%	3.00%
2019	3.00%	3.00%	↓ 1.03%	3.00%	3.00%
2020	2.00%	2.00%	↓ -38.00%	2.00%	2.00%
2021	3.00%	3.00%	3.00%	3.00%	3.00%
2022	3.00%	3.00%	3.00%	3.00%	3.00%
2023	5.25%	5.25%	5.25%	5.25%	5.25%
2024	7.00%	7.00%	7.00%	7.00%	7.00%
2025	5.50%	5.50%	5.50%	5.50%	5.50%

Notes:

1. Taxes for Major Industry were reduced ~ 35% between 2008 and 2016 (~ \$2.7 million per year and a cumulative decrease of \$28 million by 2026). Between 2018 and 2020, a special levy was applied to address tax loss risks from ongoing appeals and court actions (\$3.4 million per year, \$6.8 million total). Active appeals are ongoing.
2. Annual increase = Average Compound Annual Increase (2006-2025)

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2026 Property Tax Distribution

Council Workshop April 20, 2026

Agenda

- Tax competitiveness strategy
- Key considerations and impacts
- Recommendations and options

Tax Competitiveness Strategy

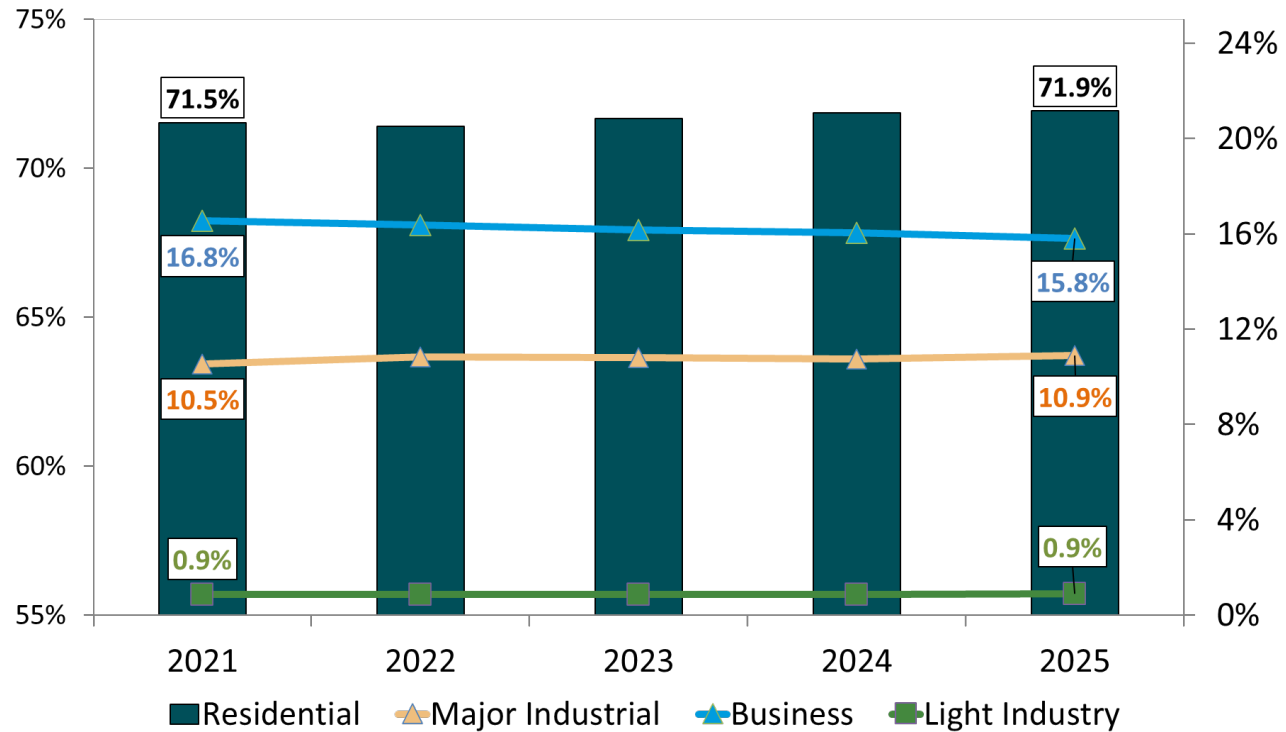
- Harmonizing tax rates with the regional average,
- Reinvesting tax growth within the class to reduce the tax rate if a tax rate is above the regional average,
- Shifting taxes between property classes to reduce the tax rate when tax growth alone is unable to reduce the tax rate.
- Ensure alignment with the Economic Development Strategy

Tax Share History

Minimal change in
tax distribution
since 2021

Residential Class (Bar Graph)

Non Residential Classes (Line Graphs)



Class 1 and 3, Residential

- Advocate to extend the tax deferral program to include utilities
- Assess how the Zoning Bylaw update may affect property values

At-a-Glance: Residential Property Classes

Property Class	Share of Property Taxes	Housing Units	Property Tax Exemptions	2025 Tax Rates	
				DNV	Region
1. Residential (a)	71.9%	39,010	\$ 248,100	\$ 1.71 	\$ 2.05
3. Supportive Housing	0.0%	10	\$ -	\$ - 	\$ -

(a) includes ~1,882 units of affordable housing, with estimated foregone tax revenue of \$1.9 million per year.

Property Tax Bill - Average Home

	2026	Change from 2025	
Property Value Assessment	\$ 1,638,358	\$ (58,738)	-3.46%

Municipal Property Taxes ⁽¹⁾	\$ 3,005	\$ 102	3.53%
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Other Taxing Authorities:			
School Tax ⁽²⁾	\$ 1,607	\$ 56	3.61%
Other Property Taxes ⁽³⁾	\$ 725	\$ 33	4.77%
Total Property Taxes	\$ 5,337	\$ 191	3.72%

Notes:

1) Before deducting the Home Owner Grant

2) Estimated based on previous years

3) Including estimates for BC Assessment, MFA, Metro Vancouver and TransLink

Class 5 and 6, Business

- Monitor implementation of development-potential relief (Bill 28)
- Align tax policy with District's Economic Development Strategy

At-a-Glance: Business Property Classes

Property Class	Share of Property Taxes	# Folios	Property Tax Exemptions	2025 Tax Rates	
				DNV	Region
5. Light Industry	0.9%	39	\$ -	\$ 6.23 	\$ 5.34
6. Business	15.8%	1,172	\$ 218,400	\$ 4.80 	\$ 5.01

Property Tax Bill – Median Business Property

	2026	Change from 2025	
Property assessed at	\$ 1,504,500	\$ (102,798)	-6.40%

Municipal Property taxes	\$ 7,982	272	3.53%
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Other Taxing Authorities:			
School Tax ⁽¹⁾	5,958	236	4.12%
Other Property Taxes ⁽²⁾	2,017	84	4.35%
Total	7,975	320	4.18%
Total Property Taxes	\$ 15,957	\$ 592	3.85%

Note (1): Estimated based on previous years

Note (2): Include estimates for BC Assessment, Metro Vancouver, MFA, and TransLink

Class 4, Major Industry

- Consortium of host municipalities formed last September to pursue changes to the Ports Property Tax Act (PPTA)
- Bring forward a Union of British Columbia Municipalities (UBCM) resolution regarding the PPTA

At-a-Glance: Major Industry Property Class

Property Class	Share of Property Taxes	# Folios	Land Value per Acre m\$	PPTA Compensation m\$	2025 Tax Rates	
					DNV	Region
4. Major Industry (Uncapped)	5.9%	13	\$ 4.32	N/A	\$ 13.86 ?	\$ 24.58
4. Major Industry (Capped)	5.0%	7	\$ 0.41	\$ 1.09	\$ 27.50 ?	\$ 27.50

Major Industry “Capped” Tax Relief

Property Class	Acres of Land		Land Value per Acre m\$		New Investment m\$	
	2007	2026	2007	2026	2007 - 2026	Per Acre
Uncapped	111.4	111.3	\$ 0.40	\$ 4.32	\$ 107.2	\$ 0.96
Capped	232.4	248.8	\$ 0.28	\$ 0.41	\$ 83.0	\$ 0.33

The objectives of the Ports Property Tax Act was to attract investment and ensure BC’s ports system remained competitive, while keeping local governments whole. Actual results from the legislation show:

- **Investment in capped properties tracking lower on a per acre basis** (\$0.33m vs. \$0.96m per acre)
- Lower valuations and a capped tax rate has resulted in **lost tax revenue to the District estimated at \$4.6 million in 2026** (\$4.5 million in 2025). Uncapped land values are 10.7 times the capped values on a per acre basis.

Class 8 – Recreation

- Small property class with limited reinvestment
- Continue to gather additional information on the class to determine if changes are required

At-a-Glance: Recreation Property Class

Property Class	Share of Property Taxes	# Folios	Property Tax Exemptions	2025 Tax Rates	
				DNV	Region
8. Recreation	0.3%	21	\$ 100,700	\$ 4.13 ?	\$ 3.97

Option 1: Even Distribution

Property Class	Even Distribution	Tax Increase	2026 DNV Rates*	2025 DNV Rates*	2025 Regional Average*
1. Residential	3.53%	\$ 3,501,112	\$ 1.83	\$ 1.71	\$ 2.05
4. Major Industry	3.53%	\$ 285,411	\$ 15.98	\$ 13.86	\$ 24.58
5. Light Industry	3.53%	\$ 43,166	\$ 7.15	\$ 6.23	\$ 5.34
6. Business	3.53%	\$ 768,896	\$ 5.31	\$ 4.80	\$ 5.01
8. Recreation	3.53%	\$ 14,253	\$ 4.57	\$ 4.13	\$ 3.97

* Tax rates per \$1,000 of assessed property value

- Tax rates reasonably competitive compared to regional average
- Provides stability while other policy actions continue

Option 2: Reinvest Light Industry Growth

Property Class	Even Distribution	Reinvest Growth	Net Tax Increase	Final Distribution	2026 DNV Rates*	2025 DNV Rates*	2025 Regional Average*
1. Residential	3.53%		\$ 3,501,112	3.53%	\$ 1.83	\$ 1.71	\$ 2.05
4. Major Industry	3.53%		\$ 285,411	3.53%	\$ 15.98	\$ 13.86	\$ 24.58
5. Light Industry	3.53%	\$ (54,000)	\$ (10,834)	-0.89%	\$ 6.84	\$ 6.23	\$ 5.34
6. Business	3.53%		\$ 768,896	3.53%	\$ 5.31	\$ 4.80	\$ 5.01
8. Recreation	3.53%		\$ 14,253	3.53%	\$ 4.57	\$ 4.13	\$ 3.97

* Tax rates per \$1,000 of assessed property value

- Reinvest tax growth within Light Industry (\$54k) to move the tax rate closer to the regional average

Option 3a: 3-year Shift to Major Industry

Property Class	Even Distribution	Tax Shift	Net Tax Increase	Final Distribution	2026 DNV Rates*	2025 DNV Rates*	2025 Regional Average*
1. Residential	3.53%		\$ 3,501,112	3.53%	\$ 1.83	\$ 1.71	\$ 2.05
4. Major Industry	3.53%	\$ 106,646	\$ 392,057	4.85%	\$ 16.18	\$ 13.86	\$ 24.58
5. Light Industry	3.53%	\$ (106,646)	\$ (63,480)	-5.19%	\$ 6.54	\$ 6.23	\$ 5.34
6. Business	3.53%		\$ 768,896	3.53%	\$ 5.31	\$ 4.80	\$ 5.01
8. Recreation	3.53%		\$ 14,253	3.53%	\$ 4.57	\$ 4.13	\$ 3.97

* Tax rates per \$1,000 of assessed property value

- Shift \$107k per year over 3 years from Light Industry to Major Industry, align Light Industry tax rate with regional average

Option 3b: 3-year Shift to Residential

Property Class	Even Distribution	Tax Shift	Net Tax Increase	Final Distribution	2026 DNV Rates*	2025 DNV Rates*	2025 Regional Average*
1. Residential	3.53%	\$ 106,646	\$ 3,607,758	3.64%	\$ 1.83	\$ 1.71	\$ 2.05
4. Major Industry	3.53%		\$ 285,411	3.53%	\$ 15.98	\$ 13.86	\$ 24.58
5. Light Industry	3.53%	\$ (106,646)	\$ (63,480)	-5.19%	\$ 6.54	\$ 6.23	\$ 5.34
6. Business	3.53%		\$ 768,896	3.53%	\$ 5.31	\$ 4.80	\$ 5.01
8. Recreation	3.53%		\$ 14,253	3.53%	\$ 4.57	\$ 4.13	\$ 3.97

* Tax rates per \$1,000 of assessed property value

- Shift \$107k per year over 3 years from Light Industry to Residential, align Light Industry tax rate with regional average

Recommendation

- THAT the Committee of the whole recommend that Council endorse an even distribution of the 2026 municipal property tax levy;
- AND THAT the Committee of the whole recommend that Council direct administration to bring forward the 2026 Tax Rates Bylaw for adoption prior to the May 15, 2026, statutory deadline;
- AND THAT the Committee of the whole recommend that Council direct administration to prepare a resolution to the Union of British Columbia Municipalities (UBCM) regarding the Port Property Tax Act for consideration at the next regular council meeting for submission to the 2026 UBCM Convention.