

AGENDA INFORMATION	
☒ Regular Meeting	Date: May 11, 2026
☐ Other:	Date: _____

Dept. Manager	GM/ Director	 CAO
------------------	-----------------	--

The District of North Vancouver REPORT TO COUNCIL

May1, 2026
File: Taxation/ Port Properties

AUTHOR: Rick Danyluk, GM, Finance and Chief Financial Officer

SUBJECT: UBCM Resolution: Repeal or Amend the Ports Property Tax Act to Address Impacts on Host Municipalities

RECOMMENDATION:

THAT the UBCM resolution entitled Repeal or Amend the Ports Property Tax Act to Address Impacts on Host Municipalities as presented in Attachment 1 is supported for UBCM consideration.

REASON FOR REPORT:

At the April 20, 2026, council workshop, the Committee of the Whole passed the following resolution:

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.

This report is bringing forward the UBCM resolution regarding the *Port Property Tax Act* for Council's consideration at a regular meeting.

SUMMARY:

The Ports Property Tax Act (PPTA) restricts how designated port lands are assessed for municipal taxation purposes, resulting in assessed values that are significantly below market value. While provincial compensation is provided to host municipalities, these payments do not fully offset foregone municipal revenues. The resulting shortfall effectively transfers the tax burden to other property classes.

As a result of the legislation, the District of North Vancouver is estimated to forgo approximately \$4.6 million in revenue annually, assuming all other tax rates remain unchanged. Across all affected host municipalities in British Columbia, the cumulative impact may be in the range of \$30 million per year.

BACKGROUND:

Ports are critical economic generators supporting provincial, national, and international trade. Responsibility for port competitiveness rests primarily with senior levels of government.

Recognizing the importance of international trade, the Province introduced the Ports Competitive Initiative in 2003 to strengthen the competitive position of port and terminal properties owned by Canada Port Authorities. This initiative led to the creation of the Ports Property Tax Act and related regulations, including caps on municipal taxation for designated port properties.

Initially introduced in 2004 as a temporary measure, the PPTA was renewed several times and made permanent in 2014. Under the Act, port land assessments increase based on inflation rather than market value. Over time, this has resulted in a growing disparity between capped port properties and uncapped major industrial properties. In the District of North Vancouver, uncapped major industrial properties are assessed at approximately 10.7 times the value of capped port properties.

Only a limited portion of heavy industrial improvements is subject to property taxation, and depreciation further erodes this taxable base. While provincial compensation exists for most host municipalities, it does not fully address the widening gap between capped assessments and market value.

At the 2014 UBCM convention the City of Prince Rupert sponsored [resolution number B10 Port Property Tax Caps](#), which called on the provincial government eliminate port property tax rate caps by repealing the applicable provisions of the Ports Property Tax Act in the fall of 2014. The response from the Province summarized why it made the PPTA permanent and that it was not considering repealing the tax rate caps. Staff believe the rationale provided by the Province is not supported by the analysis and evidence that has emerged since that time.

At the 2025 UBCM convention, the North Coast Regional District sponsored [resolution number RR34 Removal of the BC Port Tax Cap](#). The resolution was endorsed at the area association level (NCLGA) but it was not admitted for debate at the 2025 UBCM Convention. The resolution was still formally submitted and catalogued in the UBCM database.

At the 2026 LMLGA Annual Conference and AGM, *resolution R19 – Tax Fairness for Port Communities*, submitted by the City of Delta, was endorsed by the LMLGA membership and will be forwarded to UBCM for consideration at the UBCM convention in the fall.

EXISTING POLICY:

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.

SUBJECT: UBCM Resolution: Repeal or Amend the Ports Property Tax Act to Address Impacts on Host Municipalities

May 1, 2026

Page 3

ANALYSIS:

Staff are collaborating with other affected municipalities and BC Assessment to better quantify the impacts of the PPTA. Once a data-licensing agreement with BC Assessment is finalized, staff anticipate the following actions:

- Quantifying the magnitude of foregone tax revenue.
- Confirming the primary drivers of the shortfall, including assessment caps, prescribed values, and the provincial compensation formula.
- Convening impacted host municipalities to review findings and determine coordinated options and next steps.

Ideally this work will be much further along before the UBCM convention, providing more weight to the District's UBCM resolution in Attachment 1. The District's resolution builds on the Delta resolution endorsed at LMLGA by directly calling for the repeal or amendment of the Ports Property Tax Act and the establishment of a modernized, transparent provincial framework. This specificity makes it effective as a formal policy request at UBCM.

Timing/Approval Process:

The LMLGA resolution "Tax Fairness for Port Communities" will now be forwarded to UBCM for consideration at the UBCM convention this fall. If Council supports the report recommendation, the District would submit its direct resolution to UBCM by June 15, 2026. Following the submission deadline, the UBCM Resolutions Committee reviews all resolutions and organizes them into categories, and the resolutions are debated and voted on by members during the business session at the UBCM Convention.

Financial Impacts:

Ten municipalities in British Columbia host designated port facilities subject to the PPTA: City of Vancouver, City of North Vancouver, District of North Vancouver, City of West Vancouver, City of Delta, City of Surrey, City of Port Moody, District of Squamish, City of Prince Rupert, and District of Stewart.

Preliminary estimates completed last year suggest the combined annual foregone revenue for these municipalities may be in the range of \$30 million.

Liability/Risk:

Without legislative change, the gap between capped port property taxation and municipal service costs will continue to grow, shifting financial pressure onto other taxpayers or resulting in reduced service levels.

Committee Input:

The Finance and Audit Standing Committee receives updates on this initiative as new information comes available.

SUBJECT: UBCM Resolution: Repeal or Amend the Ports Property Tax Act to Address Impacts on Host Municipalities

May 1, 2026

Page 4

Conclusion:

Council is being provided with an opportunity to support a UBCM resolution submission calling on the Province to repeal or amend the Ports Property Tax Act to establish a more equitable and transparent taxation framework for host municipalities.

Options:

- 1) THAT the UBCM resolution entitled Repeal or Amend the Ports Property Tax Act to Address Impacts on Host Municipalities as presented in Attachment 1 is supported for UBCM consideration.
- 2) THAT Council direct staff to incorporate feedback provided and bring back to a future meeting for consideration.
- 3) THAT Council receive the report for information and take no further action.

Respectfully submitted,



Rick Danyluk
General Management, Finance and Chief Financial Officer

Attachment:

- 1) UBCM resolution entitled Repeal or Amend the Ports Property Tax Act to Address Impacts on Host Municipalities

REVIEWED WITH:		
☐ Business and Economic	☐ Finance	External Agencies:
☐ Bylaw Services	☐ Fire Services	☐ Library Board
☐ Clerk's Office	☐ GIS	☐ Museum and Archives
☐ Climate and Biodiversity	☐ Human Resources	☐ NSEM
☐ Communications	☐ Integrated Planning	☐ NS Health
☐ Community Planning	☐ ITS	☐ NVRC
☐ Development Engineering	☐ Parks	☐ RCMP
☐ Development Planning	☐ Real Estate	☐ Other:
☐ Engineering Operations	☐ Review and Compliance	
☐ Environment	☐ Solicitor	
☐ Facilities	☐ Utilities	

Repeal or Amend the Ports Property Tax Act to Address Impacts on Host Municipalities

WHEREAS the *Ports Property Tax Act* establishes a provincially prescribed property taxation framework for designated port facilities that constrains the ability of host municipalities to set property taxes in a manner aligned with local service responsibilities, and has resulted in ongoing inequities between port properties and other properties within the industrial tax class, as well as inequities for host municipalities; and

WHEREAS ten municipalities in British Columbia host designated port facilities and are required to deliver a wide range of municipal services necessary to support port operations and address community impacts, including transportation infrastructure, emergency response, policing, fire protection, land use planning, bylaw enforcement, and environmental management;

THEREFORE BE IT RESOLVED that the Union of British Columbia Municipalities urge the Province of British Columbia, in collaboration with the ten municipalities impacted by the *Ports Property Tax Act*, to repeal or amend the Act to establish a clear, transparent, and modernized provincial framework that ensures port and terminal properties contribute a fair and equitable share toward the municipal services and infrastructure required to support their operations and community impacts, while recognizing the importance of international trade to the Canadian economy and ensuring that competitiveness measures are supported by all orders of government.

Backgrounder (UBCM Resolutions Book)

Issue

Ten municipalities in British Columbia host designated port facilities subject to the Ports Property Tax Act. Host municipalities are responsible for municipal services, infrastructure, and community interface management required to support port operations and mitigate related impacts.

Affected Host Municipalities

City of Vancouver; City of North Vancouver; District of North Vancouver; City of West Vancouver; Corporation of Delta; City of Surrey; City of Port Moody; District of Squamish; City of Prince Rupert; District of Stewart.

Municipal Service and Infrastructure Impacts

Host municipalities provide transportation networks, emergency services, public safety, planning, environmental management, and regulatory oversight. Port activity can impose disproportionate demands on infrastructure and services relative to the available municipal tax base.

Why Change Is Needed

The current framework, which does not affect all municipalities equally due to the presence or absence of capped port properties, limits local fiscal flexibility, can exacerbate infrastructure funding pressures, and may shift costs onto residents and businesses not directly generating port-related impacts. As capped port properties increase in value based on inflation rather than market conditions, tax revenue from these lands remains significantly below what would otherwise be realized. Over time, this has created a widening inequity, with uncapped major industrial properties assessed at substantially higher values than capped port properties (for example, in the District of North Vancouver, uncapped properties are valued at approximately 10.7 times those that are capped). In addition, only a small portion of heavy industrial investments is subject to taxation, and depreciation further reduces this limited tax base. While provincial compensation is provided to many host municipalities, it does not fully address the growing shortfall, leaving other taxpayers to absorb the difference.

Requested Action

UBCM is asked to urge the Province to repeal or amend the Ports Property Tax Act and work collaboratively with host municipalities to modernize the framework in a manner that balances fairness, fiscal sustainability, and port competitiveness.