

**Revenue and Taxation Policy**

Effective Date: February 5, 2013  
Last Revised Date: April 30, 2024

**Policy Statement**

1. To comply with the disclosure requirements as set out in section 165 (3.1) of the Community Charter.

**Policy**

2. Total Revenue

**Charter Requirement:** Set out the objectives and policies regarding the proportion of total revenue proposed to come from each funding source.

The proportion of funding sources included in the financial plan is as follows:

	2024	2025	2026	2027	2028
Municipal Property and Other Taxes	46.7%	59.6%	60.4%	60.3%	60.9%
Utility Charges	21.1%	27.4%	28.1%	28.1%	28.4%
Sale of Services	3.7%	4.6%	4.5%	4.4%	4.3%
Licenses, Permits, Penalties, Fines	2.7%	2.7%	2.8%	2.7%	2.6%
Investment Income	1.5%	1.4%	1.0%	1.1%	1.2%
Other Revenue	1.0%	1.2%	1.1%	1.0%	1.0%
Government Transfers	5.1%	1.2%	1.4%	2.1%	1.0%
Contributions	18.2%	1.9%	0.7%	0.3%	0.6%
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%

3. Property Tax is the City’s largest source of revenue and provides funding for the “public type” services provided by the City which cannot be or are undesirable to be funded on a user pay basis such as parks and leisure services, public safety, transportation and general government. Its proportion of total revenue will vary from year to year depending on the capital program and the use of reserves, borrowing or grants for the capital program.

4. **Policy:** The City is committed to, where feasible and for appropriate municipal services, shifting the payment of the services from property taxes to user fees. To this end, the City will review user fees and charges annually and compare to the costs to provide the services and comparative costs from other municipalities.

The City will also regularly review Development Cost Charge rates to ensure that developers who profit from development in the municipality pay an appropriate share of the cost of the municipal infrastructure required to service new developments.

5. **Objective:** That “private type” services provided by the City are charged and paid for on a full cost recovery basis.
6. Taxation Revenue

**Charter Requirement:** Set out the objectives and policies regarding the distribution of property taxes among the property classes.

The distribution of general property tax revenue across different property taxes is as follows:

	<i>Class</i>	<i>Assessment %</i>	<i>Revenue %</i>
Residential	1	75.92%	53.16%
Utilities	2	0.12%	1.07%
Major Industry	4	0.19%	0.61%
Light Industry	5	3.44%	7.24%
Business & Other	6	19.52%	34.60%
Recreation / Non-Profit	8	0.63%	1.00%
Farm	9	0.18%	2.32%
<b>Total</b>		100.00%	100.00%

The City remains heavily reliant on residential property taxation at 53.16% of total general property tax revenue. For 2024, approximately 46.84% is budgeted to come from non-residential assessment classes which make up only 24.08% of the total assessed value for the City.

7. **Policy:** The City is committed to increasing the overall proportion of revenue from non-residential classes through growth and development while working to ensure that the amount of property taxes paid by business and industry does not harm the ability for existing businesses to operate effectively in the community and is not a deterrent for business considering locating in the community.

The City will regularly review growth in the respective classes of the tax base and compare the City's tax ratio between residential property owners and business owners relative to other municipalities in Metro Vancouver.

8. **Objective:** That the City has a broad assessment base in which each class share an equitable portion of the general property tax burden.

9. Permissive Exemptions

**Charter Requirement: Set out the objectives and policies regarding the use of permissive tax exemptions.**

10. **Policy:** The City of Pitt Meadows uses Policy C061 – Permissive Tax Exemptions, which has been approved by Council. The purpose of the policy is as follows:

*“A permissive tax exemption is a means for Council to support organizations within the community which further Council’s objectives of enhancing quality of life (economic, social, cultural) and delivering services economically. This policy guides identification of organizations meeting Council’s objectives.”*

This policy demonstrates that Council will consider providing permissive exemptions to not-for-profit institutions that form a valuable part of our community. These include religious institutions, historical societies, some recreational facilities, service organizations and cultural institutions.

11. **Objective:** Council will periodically examine its permissive tax exemption policy to determine if changes are necessary. The policy was last reviewed by Council in 2015 and an updated policy will be brought to Council this year to review.

### **Related Policies or Bylaws**

12. 2024 to 2028 Financial Plan Bylaw No. 2979, 2024