

**Corporate Planning & Financial Services Report to
Executive Committee
2025 June 17**

**ISC: UNRESTRICTED
EC2025-0587**

Response to Financial Task Force Recommendations 20 and 34

PURPOSE

The purpose of this report is to share information and resources with Council about the property tax system and policy options. This is intended to support informed, transparent tax decisions and a fair, equitable property tax system, in accordance with Council direction and the findings and recommendations 20 and 34 of the Financial Task Force (FTF).

PREVIOUS COUNCIL DIRECTION

In [Financial Task Force – Property Tax Policy Framework, Report EC2022-0649](#), Council directed Administration to develop additional tools and resources that reflect best practice, current direction, and provide further recommendations on how Council may exercise tax policy options in the future, in fulfillment of Financial Task Force Recommendations 20 and 34 and report back to Council by Q2 2024. This report back was deferred to Q2 2025 ([C2024-0756](#)).

RECOMMENDATIONS:

That the Executive Committee recommend that Council:

1. Approve the proposed Property Tax Principles and Indicators Council Policy in Attachment 2; and
2. Receive this report and attachments for the Corporate Record as resources to support future decision-making on property tax matters.

RECOMMENDATION OF THE EXECUTIVE COMMITTEE, 2025 JUNE 17:

That Council:

1. Approve the proposed Property Tax Principles and Indicators Council Policy in Attachment 2; and
2. Receive this report and attachments for the Corporate Record as resources to support future decision-making on property tax matters.

CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS

Les Tochor, Chief Financial Officer and General Manager of Corporate Planning & Financial Services concurs with this report.

HIGHLIGHTS

- Property taxation is important: it is closely related to The City's finances and service levels, making up approximately 46% of The City's total operating revenues. It is also highly regulated, and relies on numerous technical terms, making it often difficult to understand and communicate.
- In response to Council direction, Administration has prepared information, tools, and resources that reflect the property tax legislative and regulatory environment, leading practices, and current and past Council direction to support Council's future decision-making relating to property tax.

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- Sharing the information in these resources, and establishing it in policy, aims to promote a fair and equitable tax system based on well-informed, transparent decisions and common understanding.

DISCUSSION

Based on the work of the FTF, additional research and analysis, current and past Council direction, and the attached program evaluations (Attachments 4 and 5), Administration is reporting back with a proposed Council Policy and additional resources to support Council in understanding and leveraging the property assessment and tax systems, including:

- How the property assessment and taxation systems work, and how they are regulated.
- How property assessment and tax decisions relate to The City's budgets and service levels.
- The property tax policy tools available to Council, such as property tax cancellations/rebates, incentives, assessment sub-classes, tax exemptions, tax deferrals and tax share shifts.
- Key revenue-side indicators and risks The City monitors to help inform potential property tax policy interventions.

No change to The City's approach to budgeting or setting the tax rates will arise from the materials in this report. The policy framework detailed in the attachments represents current practice for The City, as approved by Council in various meetings over preceding years and as informed by the FTF's recommendations. The proposed tools and resources include:

- A Council Policy (Attachment 2) to formalize and integrate The City's current approach to taxation, including the Tax Policy Principles, the budget-based (revenue neutral) approach to setting the tax rates, and the tax share approach for distributing tax responsibility between residential and non-residential properties. The policy also commits Administration to monitoring a suite of risks and indicators to share information, analysis, and recommendations when appropriate, with Council.
- A "Handbook" (Attachment 3), to explain how the assessment and tax system works including the general timelines, key processes and the various options for policy interventions with considerations and best practices for their use.
- Evaluations of two notable past property tax policy interventions The City has undertaken – the 2017-2021 Phased Tax Program and the 2021/2022 Hotel/Motel Tax Deferrals – to explore how they worked, whether they were effective at meeting their intended outcomes, and to identify opportunities to improve future tax program design (Attachments 4 and 5).

This information is being made available for use in future budget and other tax policy or program decisions, and to commit Administration to proactively informing Council of the state of the taxation environment, potentially avoiding the need for one-time relief measures in the future. While such one-time relief measures may be warranted in response to low-probability, high-impact events in the future, these resources will support well-considered, principled responses in accordance with a fair, equitable, and transparent property tax system.

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EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | |
|--|---|
| <input type="checkbox"/> Public engagement was undertaken | <input type="checkbox"/> Dialogue with interested parties was undertaken |
| <input type="checkbox"/> Public/interested parties were informed | <input checked="" type="checkbox"/> Public communication or engagement was not required |

IMPLICATIONS

Social

Not applicable.

Environmental

Not applicable.

Economic

Increased transparency, common understanding, and additional information such as the indicators in the proposed Council policy is intended to support tax and budget-related decision-making by Council. Property tax influences a variety of economic factors, including affordability and business competitiveness.

Service and Financial Implications

No anticipated financial impact.

RISK

The content of this report is to consolidate high-level considerations for Council previously approved through the Financial Task Force and other past Council direction, and to provide information only.

The proposed Council Policy will provide direction for Administration's monitoring of key assessment and property tax related indicators, for enhanced opportunities to mitigate future assessment and taxation risks to The City, businesses, and the public.

There are no other implications or actions resulting from this report or the proposed Council Policy that are different from current practice.

ATTACHMENTS

1. Previous Council Direction, Background
2. Property Tax Principles and Indicators Proposed Council Policy
3. Property Tax Policy Handbook
4. 2017-2021 Phased Tax Programs Evaluation
5. 2021-2022 Hotel and Motel Tax Deferral Programs Evaluation
6. Financial Task Force Report Excerpt: Recommendations 20 and 34
7. Presentation

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
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Les Tochor, CFO/General Manager	Corporate Planning & Financial Services	Approve
Eddie Lee, City Assessor/Director	Assessment & Tax	Approve

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