

THE OPEN HOUSE

Your Window to REBGV Government Relations

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PROPERTY TAXES SPECIAL EDITION

Your Property Tax Notice

By now, property owners should have received their annual property tax notice in the mail.

The amount of tax that a property owner pays is based on the property assessment determined by BC Assessment Authority. If a property owner's assessment increased, then it is likely their property taxes will increase.

While about 50 per cent of the property tax bill is levied by the local municipality, the rest is levied for other agencies. Here is a summary:

Municipal tax – is set by council and staff in the local government's annual budget process and is based on revenue needs for infrastructure and services.

Regional district tax – is set by the regional districts for services such as regional water and sewage treatment. For example, Metro Vancouver tells their local governments what their revenue needs are, and the local governments collect on their behalf. In rural areas, the province (Surveyor of Taxes) collects for regional districts.

School tax – is set by BC Government to fund schools and the residential rates vary by local government. It's paid by residential and non-residential property owners.

Hospital tax – is set by the regional hospital districts to help partially fund local health facilities. For example, in Metro Vancouver hospitals are funded by the province, not by property taxes. Outside Metro Vancouver, hospital taxes are still levied.

Other taxes – are set by local taxing authorities and collected by the local government to fund BC Assessment, the Municipal Finance Authority and TransLink.

What if I don't get a tax notice?

You must pay whether or not you receive a notice. Contact your local government finance department and arrange for a duplicate

notice. You must ensure that your local government and BC Assessment have your correct mailing address.

Why have property taxes increased?

REALTORS® are often asked this question by home owners and home buyers. There are typically two reasons:

1. Property taxes are set by local government councils to meet municipal funding needs. By law – in BC it's the *Local Government Act* – municipalities can't run deficits. If costs or services increase, municipalities must raise taxes and/or fees to meet the costs. Costs may increase as a result of inflation, higher energy and materials costs, rising wages and other remuneration and new programs.
2. A decline in new residential construction compared to the previous year, which means the tax base has not grown. A growing tax base typically helps distribute the tax load over more taxpayers and minimizes the need for property tax increases.



What do property taxes pay for?

Property taxes help fund what makes our communities safe, secure and livable including:

Animal control	Local road maintenance
Archives/museums	Parks/green space
Bicycle paths and walkways	Police protection and fire services
Community centres	Sewage treatment
Energy efficiency upgrades	Innovative land use
Fire services	Swimming pools/ice rinks
Garbage and recycling	Safe building regulation
Heritage planning	Safe drinking water

The Home Owner Grant

In 1957, the BC Government implemented the Home Owner Grant to help reduce the amount of school taxes paid by property owners.

To be eligible for the grant, the property owner must be:

- a Canadian citizen or landed immigrant and reside in BC;
- the registered owner or eligible occupant of the home located within the province; and
- living in the home as a principal residence.

The grant doesn't apply to summer cottages, second homes or rental properties.

Spouses who live together, whether they are married or live together in a marriage-like relationship, including same-gender partners, can qualify for a grant on one residence in the province in a calendar year.

Spouses who live apart can each claim a grant on their principal residence if they have a written separation agreement or a court order recognizing the separation.

Eligible home owners must apply for their grant each year before the tax due date.

How much is the grant?

For 2011, the basic grant reduces taxes for home owners under the age of 65 by up to \$570.

The additional grant for home owners aged 65+ and eligible veterans and disabled home owners is \$275, for up to a total of \$845.

The basic grant is reduced by \$5 for each \$1,000 of assessed value over \$1,150,000 and is eliminated on homes assessed at \$1,264,000 and above.

The additional grant is reduced by \$5 for each \$1,000 of assessed value over \$1,150,000 and is eliminated on homes assessed at \$1,319,000 and above. For more information see:

www.sbr.gov.bc.ca/hog

More than one owner, more than one grant?

If you own a property with others, decide which owner is paying the property taxes so you don't pay twice.

If, for example, there are three owners living in a dwelling as a principal residence, only one Home Owner Grant can be claimed.

You may qualify for the Home Owner Grant if you're a shareholder of a corporation, or a member of a housing cooperative or housing

society that owns:

- an apartment building;
- housing cooperative buildings; or
- housing society buildings.

The corporation, cooperative or society applies for grants for all eligible property or units in the building and passes the grant benefit to qualifying occupants. An eligible property includes:

- land shown as a separate taxable parcel on a tax roll that has a taxable improvement;
- a building containing at least two apartment units, each occupied by an eligible occupant;
- eligible land cooperative residences; and
- a multi-dwelling leased parcel with two or more residences on it.

Claim your Home Owner Grant online

Property taxpayers who qualify for the Home Owner Grant can now claim it online through the Electronic Home Owner Grant (eHOG) service in most larger municipalities in the Lower Mainland. This service is available until December 31 each year.

To apply for the grant, you will need your 12-digit tax folio number and your access code from the front of your tax notice located immediately under your mailing address.

To claim the grant electronically, go to your local government's website. From there, look for Electronic Home Owner Grant or enter those keywords into the search box

Residential property owners will receive a confirmation number that the claim has been received electronically.

You will not receive the grant if you fail to fully complete the application form either electronically or on the back portion of your Tax Levies – 2011 form. You must claim your grant by the tax due date to avoid a five per cent penalty.

You can claim the grant even if you are not making a payment, for example, if your mortgage company pays your taxes, you still must apply for your grant.



Government Relations Advocacy Goal

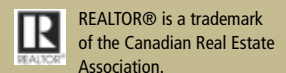
REBGV advocacy will result in an economic and regulatory environment that supports property ownership, sustainable communities and the business of real estate.

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ORDER OF EXCELLENCE



➔ For more information about claiming the Home Owner Grant online, please contact your local government Property Tax Department.

Deferring property taxes

The BC Government can help property owners who are unable to pay annual property taxes and are at risk of losing their homes.



After deducting the Home Owner Grant, home owners can choose to postpone paying all or part of the unpaid balance of their residential property taxes if they qualify for one of three low-interest tax deferral assistance programs.

1. **Property Tax Deferral Program for Seniors:** property owners aged 55+, a surviving spouse or a person with a disability who are Canadian citizens or permanent residents under the *Immigration Act (Canada)* may qualify if they meet these four requirements:
 - maintain a minimum equity of 25% of the current assessed value as determined by BC Assessment;
 - have lived in BC for at least one year;
 - occupy their home as a principal residence; and
 - maintain a fire insurance policy on their home.
2. **Financial Hardship Property Tax Deferral Program:** low-income property owners may qualify if they have at least 15% equity in their home, are Canadian citizens or permanent residents, have lived in BC for at least one year, and occupy the home as a principal residence.
3. **Property Tax Deferral Program for Families with Children:** home owners may qualify if they are financially supporting a dependent child under age 18, who have at least 15% equity in their home, are Canadian citizens or permanent residents

and have lived in BC for at least one year and occupy the home as a principal residence.

How do tax deferral programs work?

The BC Government pays the local government all property taxes for the home owner. Interest on deferral accounts is not compounded and is charged at a rate not greater than two per cent below the bank prime rate.

Deferred taxes and interest **must be repaid** before a home can be legally transferred to a new owner, other than to a surviving spouse upon the death of the agreement holder(s).

Home owners cannot defer utility charges (sewer, water, recycling, garbage), penalties, interest or user fees.

If a home owner plans to refinance, the mortgage holder may require full repayment of deferred taxes. Home owners can repay all or part of the deferred taxes and interest at any time without penalty.

These programs are administered by the Ministry of Finance together with the municipal tax collectors and the Surveyor of Taxes (in rural areas). Tax deferral applications are available at the local government office. For more information, visit: www.sbr.gov.bc.ca/individuals/property_taxes/property_tax_deferral/ptd.htm

A caution: property owners considering a tax deferral program should get financial advice.

How to pay property taxes

During a postal strike, you are still responsible for paying your property taxes by the due date.

Go to your local government's web site for details on how to pay. Check the due date on your tax notice, complete the Home Owner Grant application and then pay:

- **online by www.epost.ca:** you must first sign up for this free online Canada Post delivery service that lets you pay electronically. When you pay and claim your Home Owner Grant electronically, you'll receive a receipt with a confirmation number;
- **in person:** take your tax notice and a credit or debit card or your cheque book or a certified cheque or cash to your local government finance department. Check business hours;
- **at the drop box:** located in well marked areas of most municipal offices;
- **by mail:** your payment must arrive at municipal offices by the due date on your tax notice;



- **through a financial institution:** most banks and credit unions accept tax payments in person. You can also pay online or by phone through your bank or credit union. Remember to submit your Home Owner Grant form directly to municipal offices, either in paper or electronic format.
- **through your mortgage:** your mortgage company can pay your property taxes on your behalf if you arrange for this service beforehand; and
- **by installments:** check with your local government to see if prepayment options are offered.

If a property owner doesn't pay property taxes

Property owners must pay their property taxes by the due date (check the tax notice), and must submit the Home Owner Grant form by the due date, otherwise there are serious consequences.

The property owner will be charged a percentage of outstanding taxes as a penalty. If taxes are unpaid after three consecutive years, the property may be auctioned. Tax sale dates and processes can be found on local government web sites.

Property tax notice explained

1. Owner's Name and Address – All owners' names appear. If there is more than one owner, then each name is listed. Where a single notice was mailed in the past, now each owner receives a copy.

2. Folio Number – A unique property identification number belonging to the property and not the owner.

3. Access - A code used to epost™ tax payments or to apply for the online Home Owner Grant.

4. Legal description – Written method to delineate a specific property under the land title system.

5. Total Net Assessed Value for Taxation Purposes – BC

Assessment's classification of property, e.g. residential, business, farm and the assessed values for different tax purposes.

6. PID – Parcel identifier used to cross reference to Land Title and BC Assessment.

7. Net School Taxes – Total school taxes after the Home Owner Grant is deducted.

8. BC Assessment – Funds BC Assessment operations.

9. Metro Vancouver – Funds shared operations and services such as sewer and water

10. MFA – Funds the Municipal Financing Authority which provides capital financing and financial services to local governments.

11. TransLink – Funds TransLink.

12. Net Other Government Taxes – Total owing to other taxing authorities.

13. General Municipal – The "municipal tax."

14. City Policing – Funds policing.

15. Fire Rescue – Funds fire services.

16. Storm Drainage/Dyking – Funds local storm drainage and dyking.


17. Net Municipal Taxes – Municipal tax less any unused Home Owner Grant.

18. Installments – Total tax installments made.

19. Total Taxes Payable – What you owe.


The City of Vancouver provides an interactive explanation of how to read their tax notice at: <http://vancouver.ca/fs/treasury/taxNotice.htm>

Sample City of Richmond Property Tax Notice



City of Richmond
6911 No. 3 Road, Richmond, BC V6Y 2C1
Tel: 604-278-4145 Fax: 604-278-4128
Office Hours: 8:15 a.m. - 3:00 p.m.
www.richmond.ca

2011 PROPERTY TAX NOTICE
DUE DATE: Monday, July 4, 2011



17215

5% PENALTY IF NOT PAID OR GRANT NOT CLAIMED BY JULY 4, 2011
ADDITIONAL 5% PENALTY ADDED TO ANY CURRENT TAXES OUTSTANDING AFTER
SEPTEMBER 2, 2011

1 Wong, Joe
123 Any Street
Richmond, BC
V1V 1V1

FOLIO NUMBER	123-456-789	ADDRESS	12345678
PROPERTY ADDRESS	123 ANY STREET		
PID	134-134-123	RATES	

LEGAL DESCRIPTION	CLASS	GENERAL	SCHOOL	HOSPITAL	TOTAL NET ASSESSED VALUES FOR TAXATION PURPOSES
LTV SEC? DLX? BCS? NW? PL BCP?	1 - Res	745,900	745,900	745,900	

RATES	COLUMN A NO GRANT	COLUMN B BASIC GRANT	COLUMN C ADDITIONAL GRANT	TOTAL	TOTAL
School - Res	1.67470	1,244.80	1,244.80	1,244.80	1,244.80
Less: Home Owner Grant			-570.00	-570.00	-570.00
7 NET SCHOOL TAXES		1,244.80	674.80	674.80	674.80
BC Assessment	0.05230	46.16	46.16	46.16	46.16
Metro Vancouver	0.02285	46.34	46.34	46.34	46.34
MFA	0.00600	0.13	0.13	0.13	0.13
Translink	0.35000	239.10	239.10	239.10	239.10
12 NET OTHER GOVERNMENT TAXES		352.81	352.81	352.81	352.81
General Municipal	1.28970	921.47	921.47	921.47	921.47
City Policing	0.35907	352.38	352.38	352.38	352.38
Fire Rescue	0.35591	294.28	294.28	294.28	294.28
Storm Drainage/Dyking	0.05117	38.03	38.03	38.03	38.03
17 NET MUNICIPAL TAXES		1,606.16	1,606.16	1,606.16	1,606.16
TOTAL CURRENT TAXES		3,283.77	2,633.77	2,633.77	2,633.77
Tax Installments	0.00	0.00	0.00	0.00	0.00
19 TOTAL TAXES PAYABLE		3,283.77	2,633.77	2,633.77	2,633.77

Epayments accepted in person or online at most financial institutions with your folio number.
CLAIM YOUR HOME OWNER GRANT ONLINE AT www.richmond.ca

Richmond commercial property owners may get a tax break

Commercial property owners near Richmond's Canada Line may get a tax break thanks to legislation enacted by the BC Government.

Bill 15, *Municipalities Enabling and Validating Act (No. 4)* now allows the City of Richmond to provide partial or even full exemp-

tions for City of Richmond taxes to businesses close to the Canada Line whose land values soared because their property was rezoned as a future downtown residential zone from a commercial zone.

The rezoning was part of Richmond's Official Community

Plan which directs new residential density to the Canada Line. But the rezoning has resulted in assessed values for commercial land doubling and even tripling, meaning significant tax increases for businesses.

To provide tax relief for the next five year transitional period as the

area redevelops into residential, the legislation allows Richmond to reduce city taxes. The province would also reduce school taxes.

