

THE OPEN HOUSE

Your window to REBGV Government Relations

July 13, 2012

Property Taxes Special Edition

It's property tax time

By now home owners and businesses throughout the province have received their annual property tax notices in the mail. Property taxes are due July 3, 2012.

Property owners who haven't received a tax notice, should contact their municipal finance department and arrange for a duplicate notice. Property owners are responsible for ensuring that the local government and BC Assessment have your correct mailing address. Property owners must pay property taxes whether or not they receive a notice.

What taxes do property owners pay?

Take a close look at a property tax notice. About 50% of the amount owing is levied by the local municipality. Municipalities are also required to collect the remainder for other taxing authorities and have no control over these levies. Here is a summary:

Municipal tax – is set by council and staff in the municipality's annual budget process. It's 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 municipal governments what their revenue needs are, and the municipalities collect on their behalf. In rural areas, the province (Surveyor of Taxes) collects for regional districts.

School tax – is set by the BC government to fund schools. Residential rates vary by school district. School taxes are paid by residential and non-residential property owners.

Hospital tax – is set by the regional hospital district to help fund local health facilities. For example, 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 municipality to fund BC Assessment, the Municipal Finance Authority of BC and TransLink.

For questions about taxes levied by other taxing authorities, contact:

- BC Assessment Authority, 604.241.1361
- Greater Vancouver Transportation Authority (TransLink), 604.453.4000
- Metro Vancouver, 604.432.6200
- Municipal Finance Authority, 250.383.1181 (Victoria)
- School Taxes, 250.590.0239, (Ministry of Finance, Victoria)

Did you know?

Home owners can't appeal property taxes. They can appeal their property assessment as calculated by BC Assessment. Home owners receive their annual assessment the first week of January. Appeals must be filed by January 31.

Avoid late payment penalties

Property owners must pay their taxes by July 3, 2012 or there is a 5% penalty.

Property taxpayers who don't pay by September 4, 2012, face an additional 5% penalty. Property owners failing to pay for three

consecutive years, could forfeit their property to tax sale. Information about tax sale dates can be found on local government websites.

The upside of property taxes

Property taxes help fund a range of local capital projects and services, including:

- Animal control and shelters
- Archives/libraries/museums
- Bicycle lanes/paths/walkways
- Building regulation
- Community centres
- Energy efficiency upgrades
- Environmental protection
- Garbage and recycling
- Heritage planning
- Local road maintenance
- Parks/trails/green space
- Police/fire/emergency services
- Safe drinking water
- Sewage treatment
- Sidewalks
- Swimming pools/tennis courts/skating rinks/playing fields

A helping hand - the Home Owner Grant

Since 1957, the BC government's Home Owner Grant program has helped reduce residential property taxes for qualifying home owners. Eligibility requirements restrict the grant to Canadian citizens and landed immigrants who are permanent residents, and whose home is their principal residence.

Types of Home Owner Grants

There are four categories of grants:

1. Basic Home Owner Grant

This is a grant of up to \$570 for qualifying home owners. For 2012, the Basic Grant is reduced by \$5 for each \$1,000 of assessed value over \$1,285,000, and is eliminated on homes assessed at \$1,399,000 or more.

2. Additional Home Owner Grant

This is an additional grant of up to \$275 for qualifying home owners age 65+, disabled persons or veterans, bringing the total Basic and Additional Grant amounts up to \$845. The Additional Grant is eliminated on homes assessed at \$1,454,000 or more.

How to claim the Home Owner Grant

Taxpayers qualifying for the Home Owner Grant must complete the application each year. The application is on the bottom of the property tax notice and in larger municipalities, it is also available online through the Electronic Home Owner Grant (eHOG) service available until December 31 each year.

To apply for the grant, home owners need to reference their 12-digit tax folio number and access code from the front of the tax notice located immediately under the owner's mailing address.

To claim the grant electronically, visit the municipality's website and look for Electronic Home Owner Grant (eHOG) or enter those keywords into the search box.

For the Basic and the Additional Grants, spouses living together (married, common-law or same gender) can qualify for a grant on only one principal residence each year.

Spouses living apart can each claim a grant on their principal residence provided they have a written separation agreement or a court order recognizing their separation.

3. Multiple Home Owner Grant

Property owners jointly owning a home must decide who is paying the property taxes to avoid paying twice. Even if all owners live in the home as a principal residence, only one Home Owner Grant can be claimed.

Shareholders of a corporation or members of a housing cooperative or housing society that owns an apartment building, housing cooperative buildings or housing society buildings may also be eligible to claim the Home Owner Grant.

The corporation, cooperative or society applies for grants for all eligible properties or units in a complex and passes the grant benefit to qualifying occupants. An eligible property may include:

- 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 residence; and
- a multi-dwelling leased parcel with two or more residences on it.

4. Retroactive Home Owner Grant

For qualifying home owners, a retroactive grant may be approved for the previous year only. Home owners must:

- apply in writing for an extension on or after January 1 and before December 31 in the year following the year the owner did not apply for the grant; and
- complete an application form with documentation supporting residency and reasons for missing the deadline.

Applications must be made to the Municipal Tax Collector or to the Surveyor of Taxes if the property is in a rural area.

For eligibility criteria visit: www.sbr.gov.bc.ca and in the search box enter Home Owner Grant and then go to Retroactive Grant.

Two supplemental Home Owner Grant programs

1. Home Owner Grant Low-Income Grant Supplement

This program is aimed at qualifying low-income owners of homes assessed at more than \$1,285,000 (for the 2012 tax year). Home owners must:

- be Canadian citizens or permanent residents;
- live in the home as their principal residence;
- have a maximum annual income of \$32,000; and
- be 65+ years of age or a veteran, veteran's spouse or widow/widower receiving veterans benefits, or a person with a disability; or have a dependent child.

The supplement is up to \$845 in the Lower Mainland and up to \$1,045 in northern and rural areas.

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

Grant applications must be completed by July 3, 2012, even if the home owner is not paying taxes at that time. The grant is considered unpaid tax until it is claimed. By claiming the grant before the due date, home owners avoid paying a penalty on that portion of the tax.

The grant is applied toward the current year's property tax (primarily toward the school tax portion) and doesn't apply to regional taxes, delinquent taxes, penalties, utilities or user fees which may also appear on the tax notice.

Property taxpayers won't receive the grant if they fail to fully complete and submit the application form electronically or on the bottom of your tax notice.

Taxpayers must claim their grants by the tax due date to avoid a 5% penalty.

Taxpayers must submit the completed grant application even if they aren't making a payment, for example, if a mortgage company is paying the taxes.

2. Home Owner Grant Veterans Supplement

This program is provided to qualifying low-income veterans who are not eligible for the Additional Grant. Veterans must:

- be Canadian citizens or permanent residents;
- be under the age of 65;
- live in the home as their principal residence; and
- have a maximum annual income of \$32,000.

The grant is the difference between the Basic Grant (\$570) and the Additional Grant (\$275) to a maximum of \$275.

For information, go to www.fin.gov.bc.ca and enter Home Owner Grant Supplement programs in the search box.

Note: The Home Owner Grant does not apply to second homes, summer cottages or rental properties. Further information is available from the Home Owner Grant Explanatory Notes section on the back of the tax notice.

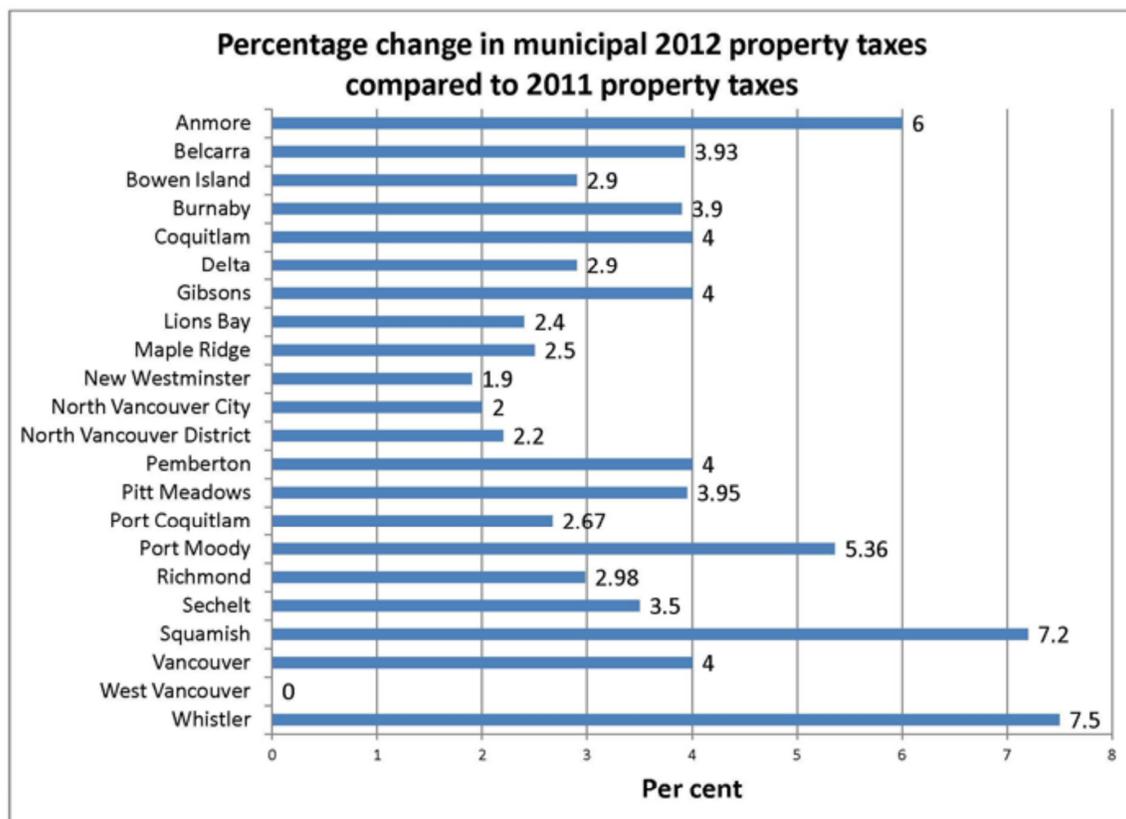
How are property taxes determined?

Property taxes are determined by municipal councils to meet their funding needs. The BC Local Government Act prohibits municipalities from running deficits. So if costs or services increase, municipalities must raise taxes and/or fees to meet costs.

Costs may increase for a number of reasons including inflation, additional required services such as fire or police or libraries, higher energy costs, new programs and even rising wages.

Property taxes are calculated through a formula that takes into account the assessed value of property as determined by BC Assessment, and the rate for the property class type.

For detailed information on how the municipality calculates taxes, contact your local municipality.



Graph Note: Does not include user charges for utilities such as sewer, water, recycling and garbage or school taxes. These increases are for the whole tax program and may not represent the tax change for any individual property.

Deferring taxes

Property owners unable to pay their property taxes on their principal residence may be eligible for assistance under the BC Property Tax Deferment Program.

This provincial low-interest loan program allows qualifying property owners to defer all or part of their property taxes on their principal residence.

1. Regular Deferment 55 & older, surviving spouse, person with a disability

To be eligible, property owners must be 55+ years or a surviving spouse, or a disabled person who is also a Canadian citizen or a permanent resident, and who meet four requirements:

- maintains a minimum equity of 25% of the current assessed value as determined by BC Assessment;
- has lived in BC for at least one year;
- occupies the home as a principal residence; and
- maintains fire insurance on the home.

2. Families with children deferment program

Property owners may qualify if they're financially supporting a dependent child under age 18 and who have at least 15% equity in their home which is their principal residence. They must also be a Canadian citizen or permanent resident who has lived in BC for a least one year.

Qualifying property owners can defer their property taxes as long as they own and live in their home. They cannot defer utility charges, penalties, interest or user fees.

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

The BC government pays the municipal all property taxes. Deferred taxes and interest must be repaid before a property can be legally transferred to a new owner, other than to a surviving spouse upon the death of the agreement holder(s).

For information visit: www.sbr.gov.bc.ca and in the search box enter Property Tax Deferment Program.

For New Home Owners

If a new home owner didn't get a tax notice or the notice has the previous owner's name on it, the new owner should:

1. Contact the BC Land Title and Survey Authority for a Certificate of Title to prove ownership and then complete the Home Owner Grant application. The Lower Mainland office phone number is: 604.660.0380.
2. Phone or visit the local City Hall Taxation Office and request a duplicate tax bill.

The property taxes must be paid and the grant claimed, if eligible, by the due date to avoid late penalties.

Property tax notice explained

Seven ways to pay property taxes

Visit the municipal website for more details on how to pay. Check the due date on the tax notice, complete the Home Owner Grant application and then pay:

1. By mail: to your local municipality. Taxes must be received by the due date.
2. At a financial institution: pay online, by phone, through an ATM or in person. Remember to submit the Home Owner Grant form directly to City Hall.
3. At City Hall: in person using a cheque, certified cheque, cash, or debit card. Credit cards cannot be used.
4. At City Hall: in the drop box, open 24 hours per day. Drop boxes may also be available elsewhere in the community. Put the payment in an envelope and write "Property Taxes" on it, or use the envelope the may be provided with the tax notice.
5. Through a mortgage: a lender can pay property taxes on behalf of a taxpayer if this service is arranged beforehand.
6. By installments: check with the municipality to see if prepayment options are available, including the Property Pre-Authorization Withdrawal Option (PAWS) or the Property Taxes and Annual Utilities Pre-Authorization Pre-Payment Plan (PAPP).
7. Online at www.epost.ca (for municipalities that subscribe to this service).

1. **Owners' 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. **TransLink** – Funds TransLink.
10. **Regional District** – Funds shared operations and services such as sewer and water provided by Metro Vancouver.
11. **Municipal Finance Authority** – Funds the Municipal Finance Authority which provides capital financing and financial services to local governments.
12. **Total Other Levies** – Total owing to other taxing authorities.
13. **City Services** – The “municipal tax.”
14. **Police Services** – Funds policing.
15. **Asset Renewal Levy** – Funds collected to cover the replacement of aging city assets.
16. **Firehall Replacement Levy** – Funds fire services.
17. **Storm Drainage** – Funds local storm drainage.
18. **Net Municipal Levies** – Municipal tax less any unused Home Owner Grant.
19. **Tax Prepayment Adjustments** – Total tax installments made.
20. **Total Outstanding Taxes** – What you owe.

2012 PROPERTY TAX NOTICE

DUE DATE: **TUESDAY, JULY 3, 2012**



CITY OF PORT MOODY
 P.O. Box 36, 100 Newport Drive
 Port Moody, B.C. V3H 3E1
 Tel: 604.469.4503 • www.portmoody.ca
 Office hours: Mon to Fri, 8:30am to 5pm

FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2012
 A 5% penalty will be added to unpaid gross current taxes
 (including unclaimed Home Owner Grants) on July 4, 2012,
 with an additional 5% penalty on August 8, 2012.



6237

1 Wong, Jane
 #1 - 123 Any Street
 Port Moody, BC
 V1V 1V1

4

LEGAL DESCRIPTION			
LOT	PLAN	NEW WEST DISTRICT DISTRICT LOT 190&235, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF	
TOTAL NET ASSESSED VALUES FOR TAXATION PURPOSES			
CLASS	GENERAL	SCHOOL	HOSPITAL
1 - Res	353,900	353,900	353,900

2	3	5
ACCOUNT / FOLIO #	123-456-789	ACCESS 12345678
PROPERTY ADDRESS	123 ANY STREET	
6	PID	RATES
	123-123-123	

		COLUMN A NO GRANT	COLUMN B BASIC GRANT	COLUMN C ADDITIONAL GRANT
School Taxes Collected on Behalf of Province of BC				
	School 604-660-2421	1.76020	622.93	622.93
	Less: Home Owner Grant		-570.00	-622.93
7	Net School Taxes		622.93	52.93
Levies Collected on Behalf of Other Agencies				
8	British Columbia Assessment 604-294-6441	0.05990	21.20	21.20
9	TransLink 604-453-4500	0.32440	114.81	114.81
10	Regional District 604-432-6200	0.05870	20.77	20.77
11	Municipal Finance Authority 250-383-1181	0.00020	0.07	0.07
12	Total Other Levies		156.85	156.85
Taxes Levied by City of Port Moody				
13	City Services	2.14420	758.83	758.83
14	Police Services	0.93450	330.72	330.72
15	Asset Renewal Levy	0.09540	33.76	33.76
16	Firehall Replacement Levy	0.03620	12.81	12.81
17	Storm Drainage	0.09730	34.43	34.43
	Less: Residual Home Owner Grant		0.00	-222.07
18	Net Municipal Levies		1,170.55	948.48
	Total New Tax Levies		1,950.33	1,105.33
19	Tax Prepayments/Adjustments	-1,278.40	-1,278.40	-1,278.40
20	Total Outstanding Taxes		671.93	101.93

A 5% penalty will be added July 4th & August 8th for unpaid current taxes and unclaimed homeowner grants. The homeowner grant is due July 3, 2012.

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.



GOVERNMENT RELATIONS MANAGER
 Harriet Permut | 604.730.3029 | hpermut@rebgv.org

GOVERNMENT RELATIONS COMMITTEE CHAIR
 Jim Woolsey | 604.250.1875 | GRChair@rebgv.org

The Open House is published by the Real Estate Board of Greater Vancouver
 2433 Spruce Street, Vancouver, B.C. V6H 4C8
 Phone: 604.730.3000 | Fax: 604.730.3100

www.rebgv.org | www.realtylink.org | Intranet site: www.realtorlink.ca

Editor - Harriet Permut | Writers - Harriet Permut, Teresa Murphy, and contributors

