

ADMINISTRATIVE REPORT TO COUNCIL
ON
2026 TAX RATE

PURPOSE

The purpose of this report is to provide Council with the draft property tax mill rates for 2026 based on the revised March 2026 BC Assessment Roll Report and the property tax requirements from the 2026 final budget figures.

COUNCIL STRATEGIC PLAN

This report supports Council's strategic priorities and areas of focus regarding:

- **Governance and Service Excellence**
 - Fiscal Responsibility: We are accountable to Kamloops residents and businesses in providing effective management, best value, and responsible use of tax dollars.

SUMMARY

Setting the property tax mill rates for each class is the last step in the annual budget process and is required to prepare the tax rates bylaw. Based on the provisional budget approved by Council and the supplemental budget items recommended by the Committee of the Whole, the property tax requirement for 2026 is \$173.3 million (a 5.7% increase over 2025, plus estimated growth). The assessed value from BC Assessment is combined with the Council-approved property tax requirement to calculate the mill rate used in setting the property tax amount for each property owner. The rates are set as an amount per \$1,000 of value. Administration has recommended rates based on the application of the regulations.

Once Council has established the mill rates and Administration has received the applicable rates from the Thompson-Nicola Regional District, the Province (for school tax), the Thompson-Regional Hospital District, the Municipal Finance Authority, and the BC Assessment Authority, tax notices can be generated and sent to Kamloops property owners. Tax notices should arrive in property owners' mailboxes in mid to late May, with a tax payment deadline of July 2, 2026.

RECOMMENDATION:

That Council authorize *Tax Rates Bylaw No. 63-3* to be introduced and read a first, second, and third time.

SUPPORTING COUNCIL AND CORPORATE DIRECTION

There is no applicable information.

DISCUSSION

Property Classes

BC Assessment is responsible for establishing the assessed value of properties in BC. It places each property in one or more of nine classes, and this placement is typically based on the property's type or use. Municipal zoning does not determine property class; however, it may be a factor in some cases. Kamloops assessments include the following classes, as defined by BC Assessment:

- Class 1, Residential - single-family residences, multiple-family residences, duplexes, apartments, condominiums, nursing homes, seasonal dwellings, manufactured homes, some vacant land, farm buildings, and daycare facilities.
- Class 2, Utilities - structures and land used for railway transportation, pipelines, electrical generation, transmission utilities, or telecommunications transmitters. This property class does not include gathering pipelines, offices, or sales outlets.
- Class 3, Supportive Housing - eligible supportive housing property that has been designated by the Cabinet of British Columbia. Eligible supportive housing property is funded by the provincial government or a health authority for the provision of housing that includes on-site support services for persons who were previously homeless, at risk of homelessness, and who are affected by mental illness or who are recovering from drug or alcohol addictions or have other barriers to housing. Supportive housing properties are assessed at nominal levels, and accordingly, no property tax is levied against Class 3 properties.
- Class 4, Major Industry - land and improvements (buildings and structures) of prescribed types of industrial plants, including lumber and pulp mills, mines, smelters, large manufacturers of specified products, ship building, and loading terminals for seagoing ships.
- Class 5, Light Industry - property used or held for extracting, processing, manufacturing, or transporting products, including ancillary storage. Scrap metal yards, wineries, and boat-building operations fall within this category. Exceptions include properties used for the production or storage of food and non-alcoholic beverages as well as retail sales outlets, which fall into Class 6.
- Class 6, Business and Other - property used for offices, retail, warehousing, hotels, and motels. This class includes properties that do not fall into other classes.

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- Class 8, Recreational Property, Non-Profit Organization - includes two very different categories:
 - Recreational Land
 - Land used solely as an outdoor recreational facility for specific activities, such as golf, skiing, tennis, public swimming pools, waterslides, amusement parks, marinas, and hang gliding. Improvements on the land, such as a clubhouse, fall into Class 6.
 - Land in a rural area that is part of a parcel used for overnight commercial accommodation that exists predominantly to facilitate specific outdoor recreational activities, such as hunting, fishing, and kayaking. Improvements on the land most likely fall into Class 6 (e.g. a hotel).
 - Non-Profit Organization Land and Improvements
 - Property used or set aside for at least 150 days per year as a place of public worship or as a meeting hall by a non-profit, fraternal organization. The 150 days cannot include activities with paid admission or the sale/consumption of alcohol.
 - Additionally, the 150 days need to be in the year ending on June 30 of the calendar year preceding the calendar year for which the assessment roll is being prepared.
- Class 9, Farm - to qualify as farm for assessment purposes, the land must produce a prescribed amount of qualifying primary agricultural products for sale, such as crops or livestock. Farm buildings fall within Class 1.

Overall Assessed Value in Each Class

The following table shows the overall taxable assessed values for each class in the City of Kamloops, based on the revised roll as of March 2026.

Class	Taxable Assessed Value - 2026	% Of Total Taxable Assessed Value
1, Residential	\$24,382,993,922	85.1%
2, Utilities	\$156,056,800	0.5%
3, Supportive Housing	\$10	0.0%
4, Major Industry	\$108,055,800	0.4%
5, Light Industry	\$198,600,100	0.7%
6, Business and Other	\$3,789,687,124	13.2%
8, Recreational Property, Non-Profit Organization	\$20,374,000	0.1%
9, Farm	\$5,540,798	0.0%
Total	\$28,661,308,554	100.0%

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In 2026, over 98% of assessed values in Kamloops reside within the Residential (Class 1) and Business (Class 6) classes. Comparison of the ratio between these two classes can be a good indicator that the rates within these classes are appropriate.



The majority of the assessment growth typically occurs in the residential class, and accordingly, over time, the ratio of Business class to Residential class will decrease. In 2026, growth in the Business class is slightly higher. Based on the proposed 2026 mill rates, the ratio of Business class to Residential class will stay at 2.6 (2.6 in 2025).

The tax rates are set based on the final taxable assessed values (revised roll), which will be received from BC Assessment in March 2026. This revised roll reflects the resolution of various appeals and adjustments since the numbers were first provided earlier in the budget planning cycle. The preliminary roll records market growth figures, after adjustments, are approximately \$7.8 million and non-market growth at \$378.4 million.

These proposed mill rates will collect the required amount of property tax to meet the budget requirements of the 2026 year in the 2026–2030 Five-Year Financial Plan.

Class	2025 Mill Rate (\$ per \$1,000 of assessed value)	2026 Preliminary Proposed Mill Rate (per \$1,000 of assessed value)	Expected Tax Revenue (\$000's)	% of Total Tax Revenue
1, Residential	4.39	4.65	\$113,487	65.50%
2, Utilities	40.00	40.00	\$6,261	3.61%
4, Major Industry	44.91	45.68	\$4,926	2.84%
5, Light Industry	14.49	14.92	\$3,022	1.74%
6, Business and Other	11.39	11.93	\$45,138	26.05%
8, Recreational Property, Non-Profit Organization	15.07	15.91	\$336	0.19%
9, Farm	17.13	18.11	\$99	0.06%

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Class	2025 Mill Rate (\$ per \$1,000 of assessed value)	2026 Preliminary Proposed Mill Rate (per \$1,000 of assessed value)	Expected Tax Revenue (\$000's)	% of Total Tax Revenue
Total			\$173,269	100%

In previous years, Council has considered adjusting the rate to meet other strategic objectives, keeping in mind the need to collect the total tax requirements. As noted in the assessed values table, the larger the class, the more impact a small reduction or increase has on the overall tax revenue. The impact in 2026 on each class of a \$0.01 change in mill rate is listed below.

Class	Approximate Impact of a \$0.01 Change in the Mill Rate
1, Residential	\$244,058
2, Utilities	\$1,565
4, Major Industry	\$1,081
5, Light Industry	\$2,029
6, Business and Other	\$38,059
8, Recreational Property, Non-Profit Organization	\$212
9, Farm	\$55

FINANCIAL IMPLICATIONS

Finalizing the tax rates completes the budgeting process and allows Council to collect property taxes, which are allocated to fund various operations and projects in the 2026–2030 Five-Year Financial Plan.

COMMUNICATIONS PLAN

As in prior years, we will continue to use a varied communications plan. Planned communication strategies include the following:

- messaging on the City's website (Kamloops.ca), the tax notice, and tax notice insert
- press releases
- radio advertising
- City Hall and Tournament Capital Centre signage
- social media and online advertisements



D. Hallinan, FCPA, FCMA
Corporate Services Director



Approved for Council

Author: N. Thompson, CPA, CGA, MBA, Taxation
Manager

Reviewed by: L. Hill, BCom, CPA, CMA, Financial
Services Manager

NT/kjm

CITY OF KAMLOOPS

BYLAW NO. 63-3

A BYLAW OF THE CITY OF KAMLOOPS FOR
LEVYING OF PROPERTY TAX RATES
FOR THE YEAR 2026

The Municipal Council of the City of Kamloops, in open meeting assembled, enacts as follows:

1. This bylaw may be cited as the "*Tax Rates Bylaw No. 63-3, 2026*".
2. *Tax Rates Bylaw No. 63-2, 2025* is hereby repealed.
3. The following rates are hereby imposed and levied for the year 2026:
 - a) for all lawful general purposes of the municipality on the assessed value of land and improvements taxable for general municipal purposes, rates as set out in Schedule "A" attached to and forming part of this Bylaw;
 - b) for Thompson Regional Hospital District (TRHD) and Thompson-Nicola Regional District (TNRD) purposes on the assessed value of land and improvements for hospital purposes, rates as set out in Schedule "B" attached to and forming part of this Bylaw;
 - c) for special taxation levy purposes in accordance with the provisions of *North Shore Business Improvement Area Bylaw No. 60*, based on the assessed value of land and improvements taxable for general municipal purposes for Class 5 and 6 assessments within the specified area, at \$0.696215 per \$1,000 taxable value; and
 - d) for special taxation levy purposes in accordance with the provisions of *Kamloops Central Business Improvement Area Bylaw No. 13-1-21* based on the assessed value of land and improvements taxable for general municipal purposes for Class 5 and 6 assessments within the specified area, at \$0.585563 per \$1,000 taxable value.
 - e) for special taxation levy purposes in accordance with the provisions of *East Kamloops Business Improvement Area Bylaw No. 61* based on the assessed value of land and improvements taxable for general municipal purposes for Class 5 and 6 assessments within the specified area, at \$0.506180 per \$1,000 taxable value.
4. The minimum amount of taxation upon a parcel of real property shall be One Dollar (\$1.00).

READ A FIRST TIME the day of .

READ A SECOND TIME the day of .

READ A THIRD TIME the day of .

ADOPTED this day of .

MAYOR

CORPORATE OFFICER

SCHEDULE "A"

Tax Rates (dollars of tax per \$1,000 taxable value)

PROPERTY CLASS		MUNICIPAL RATE
1	Residential	4.65
2	Utilities	40.00
3	Supportive Housing	6.39
4	Major Industry	45.68
5	Light Industry	14.92
6	Business/Other	11.93
7	Managed Forest	17.36
8	Recreational/Non-Profit Organization	15.91
9	Farm	18.11

SCHEDULE "B"

Tax Rates (dollars of tax per \$1,000 taxable value)

PROPERTY CLASS		TNRD	TRHD
1	Residential	0.2537	0.3138
2	Utilities	0.8880	1.0983
3	Supportive Housing	0.2537	0.3138
4	Major Industry	0.8626	1.0669
5	Light Industry	0.8626	1.0669
6	Business/Other	0.6216	0.7688
7	Managed Forest	0.7611	0.9414
8	Recreational/Non-Profit Organization	0.2537	0.3138
9	Farm	0.2537	0.3138