# How Your Property Taxes Are Determined
## *Continued*

## CVRD Budget ÷ BC Assessment = Mill Rate

| Scenarios | If the **CVRD Budget** | ÷ | If the **BC Assessment** | = | Mill Rate |
|:---:|:---:|:---:|:---:|:---:|:---:|
| 1 | Decreases | ÷ | Stays the Same | = | Decrease |
| 2 | Increases | ÷ | Stays the Same | = | Increase |
| 3 | Stays the Same | ÷ | Decreases | = | Increase |
| 4 | Stays the Same | ÷ | Increases | = | Decrease |
| 5 | Decreases | ÷ | Decreases | = | Depends on %'s |
| 6 | Decreases | ÷ | Increases | = | Decrease |
| 7 | Increases | ÷ | Increases | | Depends on %'s |
| 8 | Increases | ÷ | Decreases | = | Increase |

## Mill Rate (Tax Rate)  x  Property Assessment = Property Tax Bill

**Scenario # 1 & 5**

These are very unlikely Scenarios because salary costs and the cost of materials, rent, etc., seldom Decrease which usually Creates a necessary Increase. (Although it could happen via cuts, etc.)

**The Following Explanation is Not Based on Existing Data:**
**(Note: The Examples Below and Percentages are Random - Just to Give you A Sense of How it Works)**

**Scenario # 7**
- CVRD tax requisitions go up by 6% because they are spending 6% more then the previous year
- CVRD "historically assessments" for all homes goes up by 8% compared to the previous year
- Results in a mill rate reduction of - 2%
- YET my property taxes went up???

If all our assessments were equally increased, we would see an equal increase in our taxes because despite the lower mill rate we end up paying more because the CVRD is spending 6% more then last year.

But if my home goes up 9% and yours only 6% - the overall effect varies but the fact remains that the CVRD is spending 6% more then the previous year

**Note:**

As of January 30, 2021, the CVRD 2021 proposed draft budget is not finalized and is subject to change. Indications are there might be an average increase of 2.48% across the CVRD Region.

The BC Assessments are out but the Mill Rate cannot be calculated until the CVRD budget is finalized.

The proposed increase for 2021 will result in an increase in Property Taxes and Property Assessments will determine how the increase is shared by property owners.