



Village of New Denver
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May 16, 2022

Dear Property Owner,

Re: 2022 Property Taxes

You will likely recall that the boundary extension proposal sent to you in the spring of 2020 explained that due to the difference in mill rates being charged by the RDCK and the Village of New Denver, property owners in the extension area would likely see a tax increase once they were part of the Village. In an effort to avoid a large increase in property taxes all at once, in August 2020, Council of the Village of New Denver passed a resolution to phase in the Village of New Denver portion of the tax increase for the properties within the boundary extension area over a 5-year period.

This request was clearly identified in our boundary extension proposal to the Province, however it was missed by the Provincial Approving Authority and not included in our Letters Patent (the paperwork transferring the properties from RDCK jurisdiction to Village jurisdiction). This means we do not have authority to phase in taxes in the extension area at this time.

The Chief Administrative Officer and the Chief Financial Officer have been meeting with the Province over this issue but the Province has made it quite clear that there is nothing we can do to change this ruling for the 2022 tax year.

Your Council told the Province that it was their intention to stick to their word and phase in taxes anyway, but this prompted a swift and stern warning from the Province that there would be severe consequences in trying to do so, and that given the way the tax system is set up, this would not be possible anyway.

While we work with the Province to allow for phased in taxes in subsequent taxation years, the properties within the extension area will be taxed at the full rates for 2022. The amount of taxes collected equal to what the discounted amount should have been, will be kept separate from general revenue and kept as a reserve. This money will then be used to offset future expenses or infrastructure that benefits those properties that have contributed to it. Again, this is only for the Village of New Denver portion of the taxes collected.

Despite the inability to phase in taxes at this time, when combining the total cost of the tax and utility bills together, those properties that were previously connected to the Denver Siding Water System but are now connected to Village water will still see an overall decrease in total cost. However, those properties that were not previously on the Denver Siding Water System will see an overall increase. The exact amount of the increase will depend on the assessed value of the property.

The Village of New Denver is very disappointed that our request for phased in taxes was not acknowledged by the Province in the Letters Patent and that the Province was not willing to work towards a solution for this taxation year. We will continue to fight to have the promised phased in taxes implemented for 2023. Thank you for your patience as we work through this setback.

Village of New Denver