

## Attachment 1

### Regional Hospital District Tax Requisition Comparison 2014 to 2024

#### Comparison Method

Comparing hospital district tax requisition rates RHD to RHD is fraught with difficulty as there are many factors that must be considered. The following outlines the difficulties in a straight comparison.

- The only comparable statistic provincially is the average tax rate per average house value by municipalities.
- The composition of each RHD varies by the number of participating municipalities and electoral areas.
- RHDs do not necessarily have the same boundaries as regional districts (e.g., Comox-Strathcona Regional Hospital District encompasses both the Strathcona Regional District and the Comox Value Regional District), complicating a straight comparison.
- Capital projects planned for co-funding vary by region.
- Electoral areas are not able to be considered in the comparison as the government only collects hospital tax rate data by municipalities.
- Population size varies by region which impacts how many residents share the tax burden.
- Within an RHD, municipal and electoral area hospital tax rates vary as average house value varies.
- RHD financial documents are not issued in a standardized reporting format for straight comparison.
- Metro Vancouver Regional District does not have a regional hospital district and does not cost share with the BC Government for capital healthcare facilities<sup>1</sup>.

To provide a base standard of hospital tax rate comparison, the BC Government utilizes the average house value as the criterion to report on the average hospital tax per household. House value is calculated using the assessment values of Single-Family residential properties divided by Single-Family residential occurrence counts determined by BC Assessment. RHDs are not statistically compared by the BC Government as their composition varies significantly by participating municipalities and electoral areas. Therefore, the only viable comparison statistic is the average hospital tax per average house value by municipality.

It is notable that electoral areas are not considered in this analysis as the province does not gather hospital tax rate data for electoral areas to be used for comparison.

#### NRHD Hospital Tax Rate Compared to Provincial Average

The table below compares Nanaimo's hospital tax rate to the Provincial average based on average house value per community<sup>2</sup>.

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<sup>1</sup> Greater Vancouver Regional Hospital District was dissolved in 1998-99 and had its responsibilities transferred to regional health boards in the area. Its property taxation authority was transferred to the South Coast British Columbia Transportation Authority (Translink). The City of Surrey falls under the Fraser Health Authority.

<sup>2</sup> Average Provincial hospital tax rates are sourced from the BC Government's Tax and Charges on Representative House- Schedule 704, website: <https://www2.gov.bc.ca/gov/content/governments/local-governments/facts-framework/statistics/tax-rates-tax-burden>

**Table 1: NRHD Participating Municipality Hospital Tax Rates 2014 to 2020**

Fiscal Year	Lantzville Hospital Tax Rate	Nanaimo Hospital Tax Rate	Parksville Hospital Tax Rate	Qualicum Beach Hospital Tax Rate	Provincial Average Hospital Tax Rate by Average House Value/Community
2014	\$102	\$73	\$70	\$93	\$84
2015	\$101	\$74	\$71	\$95	\$83
2016	\$106	\$76	\$71	\$97	\$83
2017	\$107	\$80	\$76	\$101	\$91
2018	\$112	\$82	\$79	\$105	\$93
2019	\$119	\$84	\$81	\$110	\$101
2020	\$116	\$85	\$83	\$106	\$104

In 2021 the Board prioritized key projects and committed to a financial strategy that would build the reserves and reduce the need for borrowing.

**Table 2: NRHD Participating Municipality Hospital Tax Rates 2021**

Fiscal Year	Lantzville Hospital Tax Rate	Nanaimo Hospital Tax Rate	Parksville Hospital Tax Rate	Qualicum Beach Hospital Tax Rate	Provincial Average Hospital Tax Rate by Average House Value/Community
2021	\$160	\$115	\$112	\$146	\$108

In 2022 the Nanaimo hospital tax rate was comparable to other municipalities located in regional hospital districts such as the Cowichan Valley Regional Hospital District, the Cariboo-Chilcotin Regional Hospital District and the Fraser-Fort George Regional Hospital District, all of which had similar priority projects (e.g., hospital renovations or new builds).

**Table 3: NRHD Participating Municipality Hospital Tax Rates 2022**

Fiscal Year	Lantzville Hospital Tax Rate	Nanaimo Hospital Tax Rate	Parksville Hospital Tax Rate	Qualicum Beach Hospital Tax Rate	Provincial Average Hospital Tax Rate by Average House Value/Community
2022	\$323	\$225	\$222	\$299	\$121

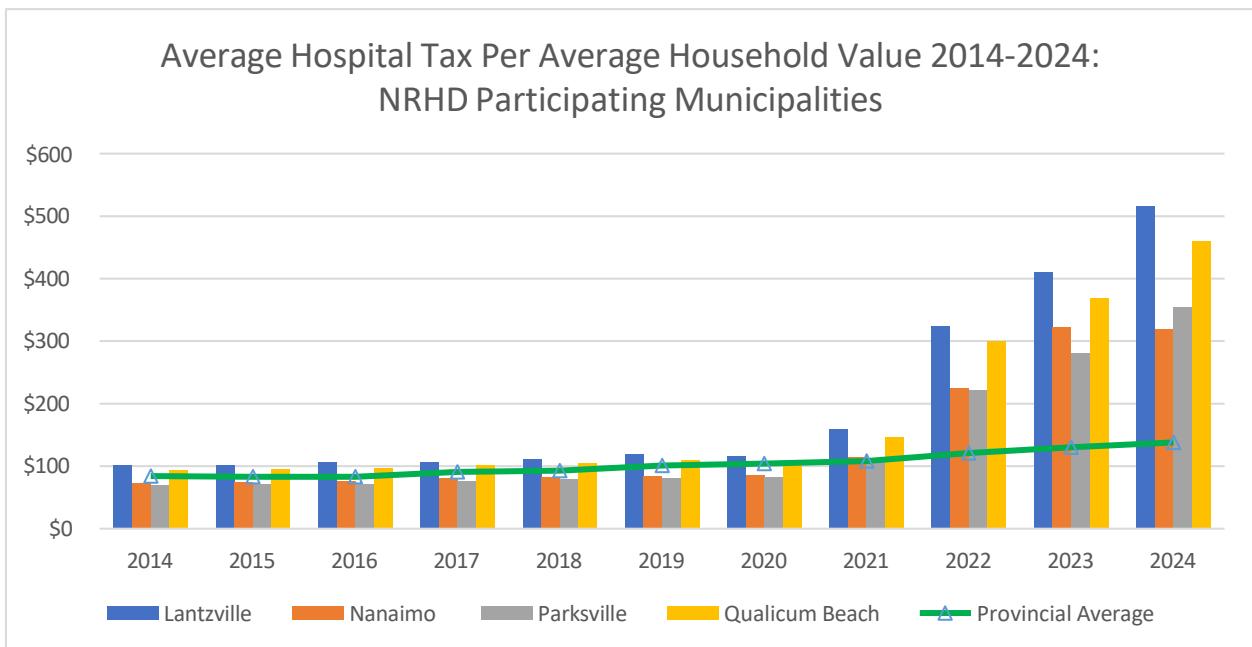
In 2023 and 2024, due to the NRHD financial strategy to build the reserves, the tax rate is higher than other regions throughout the province with the exception of the Fraser-Fort George region which is actively building reserves for the new patient tower project at the University Hospital of Northern British Columbia (UHNBC) as expanded upon in the Nanaimo Hospital Tax Rate vs RDHs with Similar Large Capital Projects section (page 4) of this analysis.

It is notable that UHNBC is the designated tertiary hospital for the Northern Health Authority as NRGH is the designated tertiary hospital for Central and North Vancouver Island.

**Table 4: NRHD Participating Municipality Hospital Tax Rates 2023 and 2024**

Fiscal Year	Lantzville Hospital Tax Rate	Nanaimo Hospital Tax Rate	Parksville Hospital Tax Rate	Qualicum Beach Hospital Tax Rate	Provincial Average Hospital Tax Rate by Average House Value/Community
2023	\$411	\$322	\$281	\$369	\$130
2024	\$515	\$319	\$354	\$460	\$138

The following graph illustrates the hospital tax rate for the NRHD participating municipalities in comparison to the Provincial overall average based on reporting providing to the Province by incorporated municipalities between 2014 and 2023.



**2024 Top Ten Municipalities with the Highest Hospital Tax Rate**

All four of the NRHD’s participating municipalities are in the top ten.

Rank	Municipality	Hospital Tax Rate Per Average House Value
1	Lantzville	\$515
2	Sun Peaks	\$467
3	Qualicum Beach	\$460
4	Vanderhoof	\$380
5	Parksville	\$354
6	Prince George	\$335
7	Fernie	\$330
8	Nanaimo	\$319
9	North Cowichan	\$281
10	Burns Lake	\$279

## **Nanaimo Hospital Tax Rate vs RDHs with Similar Large Capital Projects**

For comparison purposes only, the City of Nanaimo is used as the sample NRHD municipality. When compared to other municipalities throughout the province, the current Nanaimo hospital tax rate reflects similar trending to districts whose RHD is contributing funds to large healthcare facility capital projects.

Based on a provincial scan, the following municipalities were identified as either recently having a large capital healthcare facility project completed, a designation as a tertiary hospital, or a project recently announced by the Province. In each case the regional hospital district encompassing the community raised hospital tax rates in advance of their funding commitment.

The following provides a brief summary of the projects identified for each municipality.

- In the City of Campbell River, located in the Comox-Strathcona Regional Hospital District (CSRHD), the new Campbell River Hospital opened in September 2017. The North Island Hospital project included the hospital in Campbell River and the hospital in the Comox Valley with a combined cost of \$606.2 million. The CSRHD's funding commitment was 40%, for a final cost share total of \$242.5 million.
- In the City of Duncan, located in the Cowichan Valley Regional Hospital District (CVRHD), construction on the new Cowichan Valley Hospital Replacement began in 2022 and is expected to be completed in 2027. The estimated project cost is \$1.45 billion. The CVRHD's original commitment was 40% with a budgeted share of \$282.6 million. As the project has evolved the CVRHD's share is now looking to be approximately 19% of the actual cost of the project.
- In the City of Dawson Creek, located in the Peace River Regional Hospital District (PRRHD), the Dawson Creek and District Hospital Replacement began in 2023 and is expected to be completed in 2027. The estimated project cost is \$590 million. The PRRHD 's contribution is \$177 million. The PRRHD's funding commitment is 30% with a budgeted share of \$242.5 million.
- In the City of Prince George, located in the Fraser-Fort George Regional Hospital District (FFGRHD), the University Hospital of Northern British Columbia patient tower replacement is expected to be completed in 2027. The estimated project cost is \$1.6 billion. The FFGRHD funding commitment is 21.6% with a budgeted share of \$318.7 million. FFGRHD is the only RHD to contribute funding for this project which is similarly complex to the NRGH patient tower as both are designated tertiary hospitals that support a broad geographic region. The Province prioritized the project and sought cost-sharing from the RHD which put FFGRHD in a strong negotiating position.
- The City of Williams Lake, located in the Cariboo-Chilcotin Regional Hospital District (CCRHD), is anticipating the new Cariboo Memorial Hospital Project, a smaller community hospital project, to be completed in 2028. The estimated project cost is \$366.5 million. The CCRHD's funding commitment is 30% with a budgeted share of \$110 million.
- The City of Surrey, located in the Metro Vancouver Regional District (MVRD), is anticipating the new Surrey Memorial Hospital Patient Tower Project that was announced on March 11, 2024. The project is currently in the business planning phase which is expected to take 15-18 months to complete. No estimated cost or timeline was announced by the BC Government. The government is paying for the project as the MVRD cost shares on transit versus capital healthcare infrastructure.

The following graph shows each municipality's hospital tax rate trending between 2018 and 2024. The municipality hospital tax rates spike as increases are required to meet the funding needs for large capital projects.

Average Tax Rate Per Average House Value 2014 to 2024  
Comparing RDHs with similar large capital projects to the NRHD

