

APPROVED BY COUNCIL
FEBRUARY 16, 2006

EXTRACT FROM REPORT TO COUNCIL
STANDING COMMITTEE ON CITY SERVICES AND BUDGETS
FEBRUARY 16, 2006

1. 2006 Property Tax Options: Three-Year Land Averaging for Property Tax Calculations (VanRIMS No. 05-4200-10)

The Committee had before it an Administrative Report dated January 30, 2006, in which the General Manager of Corporate Services and Director of Finance sought Council's instruction to prepare a bylaw authorizing continuation of the three-year land assessment averaging program as the method for calculating property taxes for Class 01 (Residential) and Class 06 (Business and Other) in 2006.

Ken Bayne, Director of Financial Planning and Treasury, noted that approval of the recommendations does not authorize continuation of the averaging methodology in 2006 but would put in motion a process that will meet the requirements of the Vancouver Charter to advise the public that averaging is being considered by Council, of the impacts that averaging will have on sample properties in the City, and of the opportunity to make their views known prior to a Council decision to proceed. Mr. Bayne added that the bylaw will be submitted for consideration at Regular Council on March 21, 2006, and that any delegations wishing to speak on the matter will be heard at the Standing Committee on City Services and Budgets on March 23, 2006.

Mr. Bayne provided a presentation, responded to questions and explained how land assessment averaging mitigates the impacts of shifts in taxation resulting from uneven assessment changes.

Bob Laurie, Co-Chair, Vancouver Fair Tax Coalition, spoke in general support of the averaging initiative but also urged Council to focus on the allocation process rather than seek an equitable smoothing over a three-year period. Mr. Laurie noted that increases based on average assessed land value over the last three years would not be sustainable by some members of the business community.

MOVED by Councillor Louie
THAT the Committee recommend to Council

- A. THAT Council instruct the Director of Legal Services, in consultation with the Director of Finance to prepare a bylaw to authorize continuation of the three-year land assessment averaging program in 2006 for the purpose of calculating property taxes for Residential (Class 01) and Business/Other (Class 06) properties.

AND FURTHER THAT the bylaw be submitted to Council for consideration on March 23, 2006.

- B. THAT the Director of Finance be authorized to place advertisements advising the public that Council is considering enacting a land assessment averaging bylaw and inviting input at City Services & Budgets Committee on March 23, 2006.
- C. THAT, should Council approve the continuation of the land assessment averaging program on March 23, 2006, the Director of Finance be authorized to make appropriate arrangements with the BC Assessment Authority for the production of an averaged 2006 taxation roll, at an approximate cost of \$20,000; source of funding to be the 2006 Operating Budget.

CARRIED UNANIMOUSLY