



## ADMINISTRATIVE REPORT

Report Date: December 1, 2008  
Contact: Ken Bayne  
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RTS No.: 7733  
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Meeting Date: December 16, 2008

TO: Vancouver City Council  
FROM: General Manager of Financial Services / Director of Finance  
SUBJECT: 2009 Assessment Averaging Program: Notice to BC Assessment Authority

### RECOMMENDATION

A. *THAT, pursuant to Section 374.4 (4b) of the Vancouver Charter, the City Clerk be instructed to notify the BC Assessment Authority, before January 1, 2009, of Vancouver City Council's intent to consider the adoption of three-year land assessment averaging and/or land assessment phasing for property tax calculations for 2009.*

*It should be noted that this notice of intent is revocable should Council, at a later date, decide not to proceed with either of these options.*

B. *THAT the Director of Finance be instructed to provide the required two weeks' notice to the public in advance of Council's consideration of the use of three-year land assessment averaging and to subsequently report, before March 31, 2009, on the projected taxation impacts of the land assessment averaging program based on the assessed values provided by the BC Assessment Authority in the 2009 Completed Roll.*

C. *THAT the Area Assessor for Vancouver be invited to address Council on the assessment trends in the 2009 Completed Roll.*

### CITY MANAGER'S COMMENTS

The City Manager RECOMMENDS approval of the foregoing.

## COUNCIL POLICY

In 1993, Council implemented the use of three-year land assessment averaging in annual property tax calculations for residential properties (Class 1) and commercial properties (Class 6). In 2007, Council extended three-year land assessment averaging to light industry properties (Class 5).

## PURPOSE

The purpose of this report is to recommend that the BC Assessment Authority be notified of Council's intent to consider the adoption of three-year land assessment averaging and/or land assessment phasing for property tax calculations for 2009. This notification is a statutory requirement for Council to consider the use of these methodologies but does not commit Council to the implementation of either of these options.

## BACKGROUND

In 1992, the provincial government approved land assessment averaging as a taxation option for use in subsequent taxation years. In 1993, Council implemented the use of three-year land assessment averaging in annual property tax calculations for residential properties (Class 1) and commercial properties (Class 6); and in 2007, Council extended the same for light industry properties (Class 5).

In 2008, Council instructed staff to seek an amendment to the *Vancouver Charter* to allow the City to use up to five years of land assessments in the land assessment averaging formula for property tax calculations. The amendment will be submitted to the provincial government by June 2009 with possible enactment in Spring 2010. Once the amendment is enacted, staff will report back with an analysis that compares the use of up to five years of land assessments to the use of three years of land assessments in the land averaging formula with respect to their respective efficacy in mitigating year-over-year volatility in property taxes for individual properties.

## DISCUSSION

Section 374.4 (4b) of the *Vancouver Charter* requires that Council notify the BC Assessment Authority, before January 1, 2009, of its intent to consider the adoption of three-year land assessment averaging and/or land assessment phasing for property tax calculations for 2009. This notice of intent does not commit Council to the implementation of either of these options.

Existing process requires that Council consider the continuation of the land assessment averaging program before March 31 each year. In advance of that meeting, staff will complete an analysis of the projected taxation impacts of three-year land assessment averaging and provide the required two weeks' notice to the public of Council's intent to consider the program. If Council decide to proceed, Section 374.4 (4c) and (4d) of the *Vancouver Charter* requires that Council adopt a bylaw, before March 31, 2009, authorizing the use of such methodology.

Once the *2009 Completed Roll* is available in January 2009, Council may wish to invite the Area Assessor for Vancouver to make a presentation on the 2009 assessment trends.

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## FINANCIAL IMPLICATIONS

There are no financial implications.

## CONCLUSION

This report seeks Council authority to notify the BC Assessment Authority of its intent to consider the adoption of three-year land assessment averaging and/or land assessment phasing for property tax calculations for 2009. This notification does not commit Council to the implementation of either of these options.

Staff will report back in 2009 on the projected taxation impacts of three-year land assessment averaging based on the assessed values provided by the BC Assessment Authority in the *2009 Completed Roll*, at which time Council will decide whether to use such methodology for property tax calculations for 2009.

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