

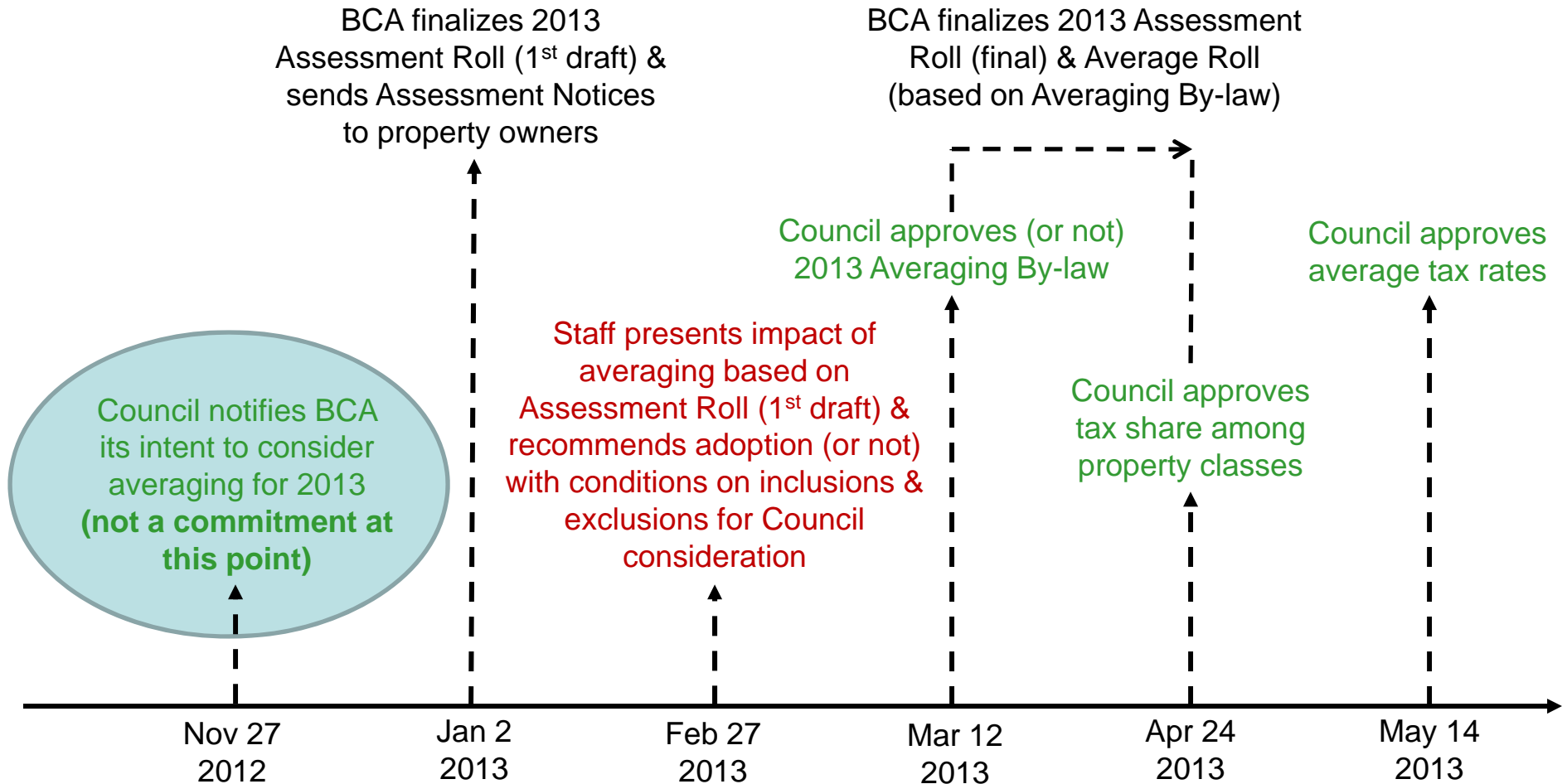


2013 Land Assessment Averaging Program Notice to BC Assessment

Regular Council Meeting
November 27, 2012

Property Taxation Cycle

Land Assessment Averaging Timeline



Land Assessment Averaging Program Objectives

- Phase in year-over-year tax impact arising from land value volatility
 - Shift tax change toward average class change
 - Fewer properties face significant tax increases/decreases
 - More properties face a tax increase closer to average tax increase
 - Long-term application brings consistency and equity
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Unique circumstances exist with the application of land assessment averaging:

- Properties that have been re-costed by BC Assessment resulting in significant shift in value between land & improvement
- Properties that are under temporary tax exemptions (e.g. heritage revitalization)

Land Assessment Averaging

Properties with Major Value Shift between Land & Improvement

BCA's periodic re-costing exercise could shift value between land & improvement with little or no change in overall assessed value

Scenario 1: shift from land to improvement

Year 1		Year 2		Year 3		Avg'd Taxable Value	
Land	\$1.0M	Land	\$1.0M	Land	\$0.8M	Land	\$0.9M
<u>Imp</u>	<u>\$1.0M</u>	<u>Imp</u>	<u>\$1.0M</u>	<u>Imp</u>	<u>\$1.2M</u>	<u>Imp</u>	<u>\$1.2M</u>
Total	\$2.0M	Total	\$2.0M	Total	\$2.0M	Total	\$2.1M

Scenario 2: shift from improvement to land

Year 1		Year 2		Year 3		Avg'd Taxable Value	
Land	\$1.0M	Land	\$1.0M	Land	\$1.2M	Land	\$1.1M
<u>Imp</u>	<u>\$1.0M</u>	<u>Imp</u>	<u>\$1.0M</u>	<u>Imp</u>	<u>\$0.8M</u>	<u>Imp</u>	<u>\$0.8M</u>
Total	\$2.0M	Total	\$2.0M	Total	\$2.0M	Total	\$1.9M

Land Assessment Averaging Action Steps

#1 - Properties that have been re-costed by BCA resulting in significant shift in value between land & improvement

Action Step - In discussion with BC Assessment, staff will bring forward analysis and recommendations with the Land Assessment Averaging By-law in March 2013 for Council consideration.

#2 - properties that are under temporary tax exemptions (e.g. heritage revitalization)

Action Step - Starting 2013, Revenue Services will send out notification letters, applicable by-laws, annual tax calculation, and exemption balance to-date to property owners for information purposes.

Staff Recommendations

- THAT the City Clerk be instructed to notify BC Assessment before Jan 1, 2013 of Council's intent to consider the use of land assessment averaging for the purpose of property tax calculations for 2013.
This notice of intent is revocable should Council decide not to proceed with the program in Mar 2013.
- THAT the Director of Finance be instructed to provide the required notice to the public in advance of Council's consideration of the use of land assessment averaging and by Mar 31, 2013, report on the projected taxation impacts of the program based on the assessed values on the 2013 Completed Roll.
- THAT the Area Assessor be invited to address Council on Jan 29, 2013 on the 2013 assessment trends.