

Attachment A: Property Assessment and Taxation Framework

BC Assessment Authority - determines the value of real properties in BC based on their “highest and best use” as defined by zoning and market evidence and assigns them to property classes based on their actual use in accordance with the Assessment Act. Appraisers analyze sales in the local area, as well as the property’s size, age, quality condition view and location. The estimated market value of the property as of July 1 of the previous year is used. Using a single common date ensures the property’s assessed value is fair, equitable and uniform compared to other properties in the community and across BC.

Other Taxing Authorities – set tax rates for each property class and the City levies and collects taxes on their behalf using the Assessment Roll.

Property taxes - are levied by the City based on real property values, which are driven by zoning as defined in land use policies and bylaws and market dynamics.

Assessment Changes and Property Tax impact – the City does not generate higher tax revenues as a result of rising property values. The required general purpose and drainage levy to be collected is determined by Council as part of the annual financial plan process.

City Council – sets land use policies that define zoning; determines the amount of the general purpose and drainage levy required to support City operations; sets residential and non-residential tax rates; levies property taxes using the Assessment Roll

Council imposes a single tax rate for each property class, not for each individual property within the class. To generate the Council approved tax levy, when the total assessed value of a property class increases, the tax rate is adjusted down; however, when the total assessed value decreases, the tax rate is adjusted up.

The Council directed property tax increase applies to the overall tax levy, the extent of the change, year over year, on an individual basis is determined primarily by how a property’s assessed value has changed relative to the average change within its property class. Differential changes among properties within the same property class will result in differential shifts in taxes paid by individual property owners year over year. Properties with a higher increase relative to the average change in the class will experience higher increases in property taxes beyond the Council-directed increase, whereas, properties with a lower increase relative to the average will experience a reduction or no change in property taxes. This situation is particularly important in neighbourhoods with significant growth opportunities or development potential, whereby property values could experience a much higher increase relative to other areas in the City and, as result, pay higher taxes (eg. Silverdale are).

