

ITEM 1
MANAGER'S REPORT NO. 7
COUNCIL MEETING Jan. 31/72

1. Re: 1972 Assessment Roll.

Following for the information of Council is a report from the Assessor dated January 20, 1972, regarding the above.

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January 20, 1972

TO: Municipal Manager
FROM: Municipal Assessor
RE: 1972 ASSESSMENT ROLL

The 1972 Assessment Roll is complete and Assessment Notices were mailed to all property owners at the first of the year. Most land and building assessments increased as market values have continued their upward trend. A further increase resulted from a large amount of New Construction.

The two value system was again used, permitting the General Purpose values to reflect the market value of the property while the School and Hospital values continued to be hemmed in with restrictions.

GENERAL PURPOSE VALUES

Assessments this year are related to sales occurring in 1970. Thus the sum of the General Purpose land and building assessments of each property is 80% to 90% of the 1970 market value.

SCHOOL & HOSPITAL VALUES

There are two major restrictions on School and Hospital values. The total cannot increase more than 5% and individual values cannot increase more than 10% each year except when new construction and new development takes place.

The limitation on the total controls the basic relationship between the two sets of values. In previous years, School and Hospital values were 47% of General Purpose values but this year they are limited to 45%.

The current 10% limitation on individual increases was put into force in 1971 and had an especially marked effect on the School and Hospital values of those properties where land values increased spectacularly. Some of the results were so extreme that the Provincial Assessment Commissioner gave me authority this year to increase, by more than 10%, approximately 500 of them. This reduced some of the discrepancies created in last

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year's Roll, but additional ones have been created in this year's Roll. An actual example of how this occurs when land values are increasing rapidly as a result of rezoning is as follows:

SCHOOL AND HOSPITAL LAND VALUES

<u>1971</u>		<u>1972</u>		<u>Actual Asst.-B: Authority of Asst. Comm.</u>
<u>If at 47% of General</u>	<u>Actual Asst.- 10% Greater than '70</u>	<u>If at 45% of General</u>	<u>If 10% Greater Than 1971</u>	
\$24,375	\$13,540	\$94,675	\$14,890	\$20,535

EFFECT OF 10% LIMITATION

In 1971 \$5.5 million was removed from the School and Hospital total as a result of the 10% limitation on increases of individual assessments. A detailed analysis of the effects on this year's Roll is being planned but it is already obvious that the use of School and Hospital values is becoming a less and less fair basis for apportioning taxes between individual properties in a Municipality and for assigning relative costs between areas within a Regional District or between all School Districts in the Province.

POLLUTION CONTROL FACILITIES

This is the third year that facilities installed and operated to control water and air pollution are exempt from taxation. The total values exempted for this reason are not yet available.

NEW DEVELOPMENT

The changes in land values as a result of new development were \$2.2 million for General Purposes and \$1 million for School and Hospital Purposes.

NEW MACHINERY

The new machinery added in commercial and industrial plants had a total taxable value for School and Hospital purposes of \$3.5 million.

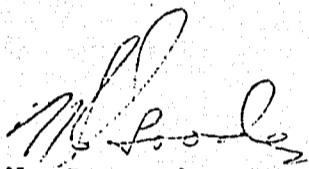
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NEW CONSTRUCTION

Values added for new construction totalled \$34.4 million for General Purposes and \$19.0 million for School and Hospital Purpose (including New Machinery). The comparable figures for 1971 are \$25 million for General Purposes and \$15.0 million (including New Machinery) for School and Hospital Purposes.

1972 ASSESSMENT ROLL TOTALS (IN MILLIONS)

	<u>General Purpose</u>	<u>Increase Over 1971</u>	<u>School & Hospital</u>	<u>Increase Over 1971</u>
Land	\$375.6	10.9%	\$168.0	6.5%
Buildings	584.4	13.4%	279.5	6.0%
Machinery	-		34.2	2.7%


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MUNICIPAL ASSESSOR

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