

ITEM 13

MANAGER'S REPORT NO. 9

COUNCIL MEETING Feb. 5/73

13. Re: 1973 Assessment Roll

Following is a report dated February 1, 1973 from the Assessor regarding the 1973 Assessment Roll.

This is for the information of Council.

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February 1st, 1973

TO: Municipal Manager  
FROM: Municipal Assessor  
RE: 1973 ASSESSMENT ROLL

The 1973 Assessment Roll was completed by the end of the year and Assessment Notices were mailed to all property owners. Most individual values increased as the real estate market has continued the upward trend which became established some years ago. The totals also increased substantially this year not only because of the strong market but also because of the record amount of New Construction added to the Roll.

General Purpose Values

The two value system of assessments was used again this year. This doubles the number of values assigned to each property but the addition of General Purpose values provides individual property owners with a better understanding of the basis on which their assessments are determined and these values are equitable as they are between 80% and 90% of the 1971 real estate market values. School and Hospital values on the other hand are seldom related to one another as they are established by the use of a variety of mathematical factors. They, therefore, are difficult to understand and are inappropriate for making comparisons between individual properties or adjoining assessment jurisdictions.

Limitations on School and Hospital Values

Legislation limits increases in the total School and Hospital value to 5% a year. The effect of this in 1973 was to establish the normal individual School and Hospital value at 44% of the General Purpose value. Over the six year period since the two value system has been in use this percentage has gradually reduced from a high of 47%.

Individual School and Hospital values are restricted to increases of 10% per year and, as a consequence, some School and Hospital values are less than 44% of the General Purpose values. The 10% limit can be exceeded where New Construction or New Development occurs on a property or when the Assessment Commissioner orders changes.

This year the Assessment Commissioner ordered that School and Hospital values of about 1,000 properties be increased as the 10% limitation and severely repressed them. This is the second year that this type of order

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has been received from the Assessment Commissioner and it is effective in removing the extreme results of the 10% limitation on any value one year after it is established. Thus, some owners can still receive a substantial benefit from this limitation in one year but most of the reduction in assessment is removed in the subsequent year.

The 10% limitation on individual values came into effect in 1971 and resulted in a \$5½ million reduction in School and Hospital values. In 1972 the loss was \$4½ million and in 1973 it is \$3½ million. About 6,000 owners receive the benefit from this limitation each year. 5,000 of these receive some small benefit but the remaining 1,000 enjoy substantial reductions. The result is that the other 30,000 owners in the Municipality must assume an increased tax burden to compensate for this loss.

New Machinery

The New Machinery added in commercial and industrial plants had a total taxable value for School and Hospital purposes of \$4.3 million.

New Construction

General Purpose values added to the Roll because of New Construction amounted to \$55 million. This is a record and exceeds the previous one established in 1970 by \$10 million.

Pollution Control Facilities

This is the fourth year that facilities installed and operated to control water and air pollution are exempt from taxation. The total exempted for this reason in 1973 is \$1.3 million.

Total Increase in Assessments

The Roll totals now established are subject to decisions of the Court of Revision, which has scheduled hearings during the month of February, but the following totals indicate the manner in which the Assessment Roll has increased from last year.

1973 Assessment Roll Totals (in millions)

	<u>General Purpose</u>	<u>Increase Over 1972</u>	<u>School &amp; Hospital</u>	<u>Increase Over 1972</u>
Land	\$405.9	8.3%	\$179.1	6.5%
Buildings	643.2	10.2%	302.6	5.5%
Machinery	-	-	36.5	7.3%

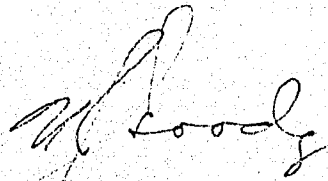
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The increases are similar to those which occurred last year but it is of interest that our latest analysis indicates that next year's building assessments must have similar increases again and land assessments must have substantially greater increases to keep pace with the continuing pressure for more intensive use of land in Burnaby.



N.J. Goode  
MUNICIPAL ASSESSOR

NJG/mme