

RE: THE DISTRICT OF NORTH VANCOUVER, MAYOR, 1988 OCTOBER 28  
RE 1989/90 RESIDENTIAL PROPERTY ASSESSMENTS  
(CORRESPONDENCE, ITEM 3 (M), 1988 NOVEMBER 14)

MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendation of the Director Finance be adopted.

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TO: MUNICIPAL MANAGER  
FROM: DIRECTOR FINANCE  
1988 November 17  
File: A73-1

SUBJECT: THE DISTRICT OF NORTH VANCOUVER, MAYOR, 1988 OCTOBER 28  
RE 1989/90 RESIDENTIAL PROPERTY ASSESSMENTS  
(CORRESPONDENCE, ITEM 3(m), 1988 NOVEMBER 14)

PURPOSE: To provide Council with information in response to North Vancouver District's resolution to "cap" in 1989 and 1990 residential property assessments similar to that for major industrial assessments.

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RECOMMENDATION

1. THAT copies of this report be sent to:
  - . District of North Vancouver
  - . U.B.C.M.
  - . Minister of Finance and Corporate Relations

INTRODUCTION

Appearing on the 1988 November 14 agenda was a letter from the Mayor of the District of North Vancouver seeking the support of G.V.R.D. member municipalities for the resolution contained therein which is reproduced below:

"THAT the Mayor, along with the appropriate District staff, approach the Provincial Government to investigate the possible imposition of a "cap" for 1989 and 1990 residential property assessments similar to that for major industrial;

AND THAT the other municipalities within the Greater Vancouver Regional District that are experiencing similar increases be requested to support this action."

The North Vancouver municipality is concerned about a redistribution of the tax load within the residential category because the Municipal Act currently does not permit different tax rates within each class.

Burnaby's problem is similar because residential market value increases in 1989 range from approximately -5% to 45%. Tax rates can however be varied among assessment classes, so as to redistribute the annual tax load, and take into consideration disproportionate changes in market values among classes. Within a class tax rates cannot be varied. A shift among classes can however mitigate the impact of market value upon a specific class. Tax rates are reviewed and set by Council at annual budget time in April each year.

#### "CAP" ON MAJOR INDUSTRIAL CLASS ASSESSMENT INCREASES

The North Vancouver District resolution refers to a residential "cap" similar to that for the major industrial property class.

In past years, the B.C. Assessment Authority has been trying to obtain a better method of defining the market values of major industry properties. This effort has resulted in a new formula contained in the B.C. Assessment Class Manual approved by legislation and by which the 1989 major class properties are valued. Since some of the property values for 1989 increased significantly, the Government has also enacted a phase-in program by an Order in Council so that each major industry property value (excluding new construction) cannot be increased more than 20% in 1989, and more than 20% again in 1990. The effect of the phase-in program will be reflected at the Court of Revision before the 1989 roll is finalized and may decrease the amount of assessment upon which taxes will be levied.

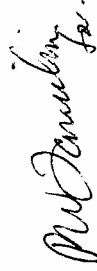
#### DISCUSSION

The resolutions for which the District of North Vancouver is seeking support affect existing property assessment and property taxation regulations and statutes. This is a large, important and complex area affecting various statutes and authorities. From time to time, there are various requests from communities requesting capping of increases of various classes of property in certain years. For example, the District of North Vancouver wants to investigate a 20% increase "cap" for 1989 and for 1990 for residential property, and it wanted a 15% "cap" in 1987. Also, the Province has enacted a 20% cap for 1989 and for 1990 for major industrial property increases.

The current assessment and taxation systems evolved as a result of input from many communities, municipal governments, commissions, briefs from individuals, as well as input from the Provincial Government. Therefore, as an individual community, we are not in a position to recommend any changes without examination and study of all of the options and their impact on the assessments and the resultant taxation. However, we can support the request for the U.B.C.M. and the Provincial Government to periodically review the regulations and basis of assessment and taxation, to see if current regulations are valid and fair, or if there should be any revisions.

It is recommended that copies of this report be sent to:

- . District of North Vancouver
- . U.B.C.M.
- . Minister of Finance and Corporate Relations



Howard Karras  
DIRECTOR FINANCE

PWT:gw  
Attach.

cc: Municipal Clerk