

TO: CITY MANAGER

1998 February 11

FROM: DIRECTOR FINANCE

File: A73-2

SUBJECT: 1998 COMPLETED ASSESSMENT ROLL

PURPOSE: To provide Council with information on the 1998 completed roll.

RECOMMENDATION:

1. **THAT** this report be received for information

SUMMARY

The 1998 completed assessment roll for Burnaby shows the overall increase in assessed value of \$22.8 million over the 1997 authenticated assessment roll. The overall increase from 1996 July to 1997 July represents \$254.8 million of new growth offset by a \$232.0 million (0.12%) market value decrease. The new growth could generate as much as \$1.3 million in new City taxes in 1998 (based on 1997 tax rates). The roll is subject to changes from the Court of Revision.

Market value changes for 1998 for the major property classifications were:

- ▶ Residential decreased by 1.85%
- ▶ Utilities decreased by 1.14%
- ▶ Major Industry decreased by 2.08%
- ▶ Light Industry increased by 1.50%
- ▶ Business/Other increased by 1.79%

Changes in the assessed value will not necessarily result in increased or decreased City property taxes beyond the need to meet Burnaby's additional funding requirements stated in the 1998 Provisional Operating Budget. (Council has directed that staff achieve further economies within the Annual Budget to reduce the burden on municipal taxpayers and lower the anticipated 4.25% tax increase to a rate within the 3% range.) Tax rates in 1998 will be adjusted to offset the effect of the average market value assessment changes in each property class. Property owners having an assessment change greater or smaller than the average market value assessment change in their property class will have greater or smaller tax impact as a result.

REPORT

1. THE 1998 COMPLETED ASSESSMENT ROLL

BC Assessment has released the 1998 completed assessment roll which establishes the market value of all properties as of 1997 July 01. The roll is subject to changes from appeals processed by the Court of Revisions. The last date to register an appeal was 1998 January 31.

The 1998 completed assessment roll shows a decrease in market value of \$232 million (1.11%) over the 1997 authenticated roll. Only light industry and business property classes exhibited market value growth during this period. Changes in property class are as follows:

<u>Property Class</u>	<u>Market Value Change</u> <u>(1997 to 1998)</u> \$	<u>% Change in Market Value</u> <u>(1997 to 1998)</u> %
Residential	(286,682,580)	(1.85)
Utilities	(1,790,364)	(1.14)
Major Industry	(2,703,600)	(2.08)
Light Industry	2,410,700	1.50
Business/Other	56,836,847	1.79
Recreation/Non-Profit	(19,900)	(0.07)
Farm	(23,300)	(3.36)
Total	<u>(231,972,197)</u>	<u>(1.11)</u>

A comparison of the assessment rolls by property class for 1991 through 1998 is presented in Schedule A *attached*. Since 1991, total assessments have increased by 46%, however, the rate of growth has diminished significantly over the last three years. The 1998 assessment roll exhibits the lowest annual growth rate since 1991 (at only 0.12% growth).

Residential property assessment has increased in importance relative to other property classes. Specifically, the distribution of property classes has changed since 1991 as follows:

- ▶ Residential - increase from 77% to 80%
- ▶ Utilities - decrease from 1.1% to 0.8%
- ▶ Major Industry - decrease from 1.4% to 0.7%
- ▶ Light Industry - stable at 0.9% (increase over the last few years)
- ▶ Business/Other - decrease from 20% to 17%
- ▶ Recreation/Nonprofit - no change at 0.1
- ▶ Farm - no change at negligible percentage rates

Schedule B *attached* compares 1998 and 1997 assessment rolls, and separates new growth from increases in market value. Most new growth has occurred in the residential class. Total new growth was \$254.8 million for the period 1996 October 31 to 1997 October 31 and could generate as much as \$1.3 million in new City taxes in 1998 (assuming 1997 tax rates).

Schedule C *attached* illustrates how land and improvement values have changed for each class of property in 1998 over 1997. Taxes are calculated on the total value of land and improvements. Land values have generally decreased due to market conditions, while improvements have increased due, mainly, to the effect of new growth.

2. EFFECT OF THE 1998 ASSESSMENT ROLL ON 1998 TAXES

Changes in assessed value will not necessarily result in increased or decreased City property taxes for most property owners. The 1998 tax rates will be adjusted to offset the effect of the average market value changes. Therefore, property owners having assessment increases above the average market value change in their property class will have a tax increase caused by assessment. The actual tax impact of the assessment increase will only be known when the 1998 authenticated roll is released on 1998 March 31, and the 1998 annual budget is finalized.

Other factors which may affect local taxes include changes in the requirements (tax rates) of other rate setting bodies such as the Greater Vancouver Regional District, Greater Vancouver Regional Hospital District, and the Provincial Government (for schools).

3. THE ANNUAL ASSESSMENT ROLL

BC Assessment assesses all property in Burnaby annually. Roll release dates, Court of Revision dates and other key dates in the annual assessment cycle are shown in Schedule D *attached*.

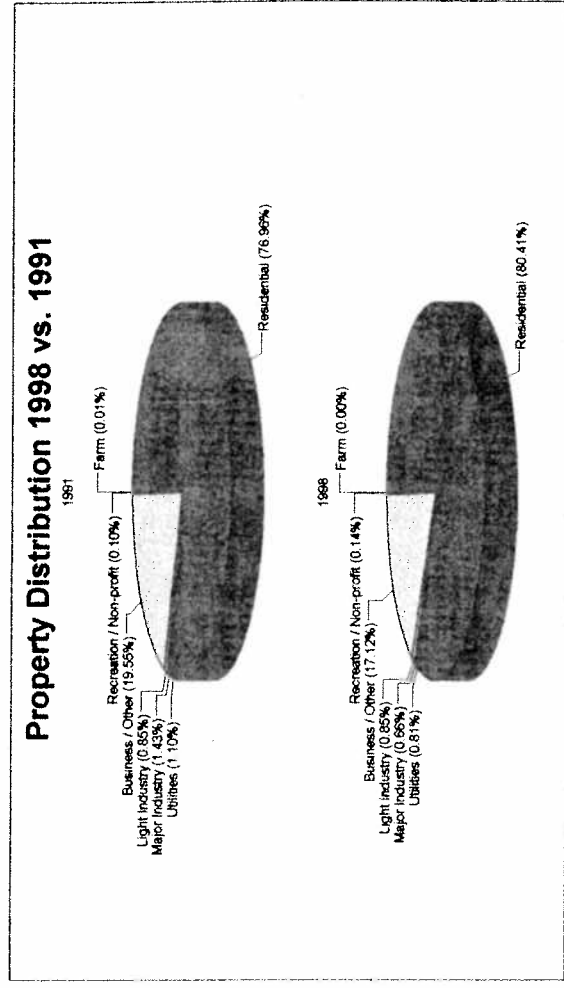
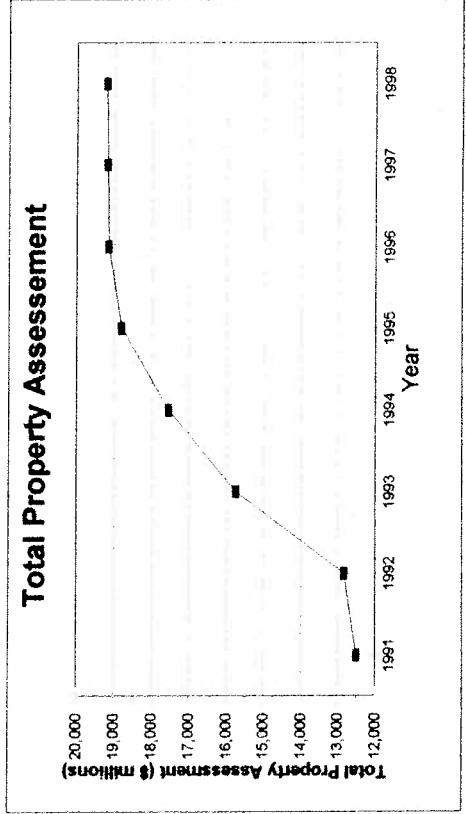

per Rick Earle
DIRECTOR FINANCE

Attach.

cc: Director Engineering
Director Planning & Building
Director Parks, Recreation & Cultural Services
City Clerk
Area Assessor, BC Assessment

BURNABY GENERAL PURPOSES ASSESSMENT ROLL BY PROPERTY CLASS
1991 THROUGH 1998

	1991	1992	1993	1994	1995	1996	1997	Completed 1998
	\$	\$	\$	\$	\$	\$	\$	\$
Residential	9,619,003,957	9,870,615,523	12,214,753,949	14,067,347,487	15,273,063,170	15,544,561,128	15,535,182,580	15,443,751,500
Utilities	137,583,215	137,621,531	159,085,097	164,329,952	165,541,154	163,709,979	157,207,452	154,769,368
Major Industry	179,145,498	171,109,909	186,062,900	171,818,500	163,011,900	150,705,500	130,161,000	127,457,400
Light Industry	106,267,200	95,664,000	122,313,600	117,117,100	122,061,145	137,593,700	161,165,000	162,828,400
Business / Other	2,442,658,457	2,540,066,338	3,051,871,039	3,005,336,489	3,053,058,139	3,127,433,762	3,168,775,441	3,288,759,638
Recreation / Non-profit	12,903,300	12,903,300	15,942,300	24,287,700	28,821,800	24,934,400	28,675,900	27,865,800
Farm	773,652	782,200	762,000	844,400	872,289	683,100	693,900	665,700
	12,498,535,279	12,828,762,801	15,750,790,885	17,551,091,628	18,906,495,937	19,149,621,569	19,162,861,273	19,205,696,826
	100	100	100	100	100	100	100	100
Annual Percent Change		2.6%	22.8%	11.4%	7.2%	1.8%	0.2%	0.1%
Cumulative Percent Change		2.6%	25.4%	36.8%	44.0%	45.8%	46.0%	46.1%



Note: Assessment rolls shown for 1991 through 1997 are those used to levy property taxes.
Burnaby Finance Dept.
26-Jan-98
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1998 COMPLETED ROLL VS. 1997 ASSESSMENT ROLL USED TO LEVY TAXES
SHOWING MARKET VALUE CHANGES AND NEW GROWTH

Property Class	1997 Assessment Roll *		Market Value Change		New Growth		1998 Completed Roll		Change 1998 vs. 1997 (Market Value Plus New Growth)	
	\$	%	\$	%	\$	%	\$	%	\$	%
Residential	15,535,182,580	(1.85)	(286,682,580)	1.26	195,251,500	1.26	15,443,751,500	(91,431,080)	(0.59)	
Utilities	157,207,452	(1.14)	(1,790,364)	(0.41)	(647,700)	(0.41)	154,769,388	(2,438,064)	(1.55)	
Major Industry	130,161,000	(2.08)	(2,703,600)	0	0	0.00	127,457,400	(2,703,600)	(2.08)	
Light Industry	161,165,000	1.50	2,410,700	(0.59)	(947,300)	(0.59)	162,628,400	1,463,400	0.91	
Business / Other	3,169,775,441	1.79	56,836,847	1.96	62,146,350	1.96	3,288,758,638	118,983,197	3.75	
Recreation / Non-profit	28,675,900	(0.07)	(19,900)	(3.45)	(990,200)	(3.45)	27,665,800	(1,010,100)	(3.52)	
Farm	693,900	(3.36)	(23,300)	(0.71)	(4,900)	(0.71)	665,700	(28,200)	(4.06)	
	<u>19,182,861,273</u>	<u>(1.11)</u>	<u>(231,972,197)</u>	<u>1.33</u>	<u>254,807,750</u>	<u>1.33</u>	<u>19,205,696,826</u>	<u>22,835,553</u>	<u>0.12</u>	

Note: "New Growth" includes: new construction, reclassification, rezoning, subdivision, etc.

* Authenticated Assessment Roll from April 1997

COMPARISON OF 1997 ASSESSMENT ROLL AND 1998 COMPLETED ROLL

	1997 Assessment Roll *			1998 Completed Roll			% Change 1997 to 1998		
	Land \$	Improvements \$	Total \$	Land \$	Improvements \$	Total \$	Land %	Impts. %	Total Land & Impts %
Residential	10,628,431,200	4,906,751,380	15,535,182,580	10,456,643,800	4,987,017,700	15,443,661,500	(1.6)	1.6	(0.6)
Utilities	80,676,795	76,530,657	157,207,452	81,499,815	73,269,573	154,769,388	1.0	(4.3)	(1.6)
Major Industry	64,244,500	65,916,500	130,161,000	64,524,800	62,332,600	127,457,400	0.4	(4.5)	(2.1)
Light Industry	103,653,000	57,512,000	161,165,000	102,942,800	59,685,600	162,628,400	(0.7)	3.8	0.9
Business / Other	1,704,881,283	1,464,894,158	3,169,775,441	1,753,295,646	1,535,462,992	3,288,758,638	2.8	4.8	3.8
Recreation / Non-profit	25,813,900	2,862,000	28,675,900	24,868,300	2,797,500	27,665,800	(3.7)	(2.3)	(3.5)
Farm	693,900		693,900	665,700		665,700	(4.1)	0.0	(4.1)
	<u>12,608,394,578</u>	<u>6,574,466,695</u>	<u>19,182,861,273</u>	<u>12,484,440,861</u>	<u>6,721,165,965</u>	<u>19,205,606,826</u>	<u>(1.0)</u>	<u>2.2</u>	<u>0.1</u>

* Authenticated Assessment Roll from April 1997

ASSESSMENT CALENDAR

	<u>Key dates</u>
Valuation date	July 1
Physical condition and use for valuation	Oct. 31
Bylaw deadline to granting tax exemptions	Oct. 31
Estimate of Total Assessed Value	Oct. 31
Completed Roll release date	Dec. 31
Assessment notices sent on	Dec. 31
Appeals to Court of Revision **DEADLINE**	Jan. 31
Court of Revision completes sitting by	Mar. 15
Section 19(8) Application Deadline	Mar. 31
Authenticated Roll release date	Mar. 31
Court of Revision decisions sent on	Apr. 7
Authenticated Roll (incl. Court of Rev. and roll totals)	Mid April
Appeal to Assessment Appeal Board by	Apr. 30
Copy of appeal notice sent by	May 30
Supplementary assessments up to (following year)	Dec. 31
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Burnaby's annual budget must be adopted by	May 15
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