



Provincial News Releases – Assessment & Taxation Issues



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FOCUS

- ✦ Property Assessment Locked In
- ✦ Temporary Property Tax Deferment Program
- ✦ School Property Tax Rebate for Industry

PROPERTY TAX FORMULA

*** Assessed Property Value ***

x

Property Tax Rate

=

Property Tax Bill

Assessed Property Value Impact

- ✦ 2009 assessment **notices** will show values as at July 1st 2007 (previous roll value) **and** as at July 1st 2008.
- ✦ 2009 Assessed value and Assessment Roll for Local Government will reflect the **lower** of these 2 values
- ✦ Lower value applies to:
 - Class 1 – Residential
 - Class 5 – Light Industrial
 - Class 6 – Business & Other
 - Class 8 – Recreation/Non-Profit

Assessed Property Value Impact

- ✦ Class 2 Utilities will stay at 2008 values:
 - Improvements regulated and frozen at July 1, 2007 Rates
- ✦ Class 3 Supportive Housing (New):
 - Set by regulation at nominal values
- ✦ Class 4 Major Industry:
 - Land at Lower of July 1/07 or July 1/08
 - Improvements regulated and frozen at July 1, 2007 Rates
- ✦ Class 7 (Forestry) and Class 9 (Farm) land is regulated and will stay at July/07 rates

Assessed Property Value Impact

+ For properties with:

- New Construction/Development
- Subdivisions
- Zoning Changes
- Exemption Changes
- Changes in Class/Use

+ Non Market Change Calculation will reflect inventory as **Oct.31/08** but market level as of either **July 1/07** or **July 1/08**

- Whichever date has the lower value

Assessed Property Value Impact

- ✚ Property owners will have the right to appeal the 2009 Assessment as in prior years
 - BC Assessment will need to deal with the fact that property owners may be appealing values at either the July 2007 or July 2008 market level.

PROPERTY TAX FORMULA

Assessed Property Value

x

*** Property Tax Rate ***

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Property Tax Bill

Property Tax Rate Impact:

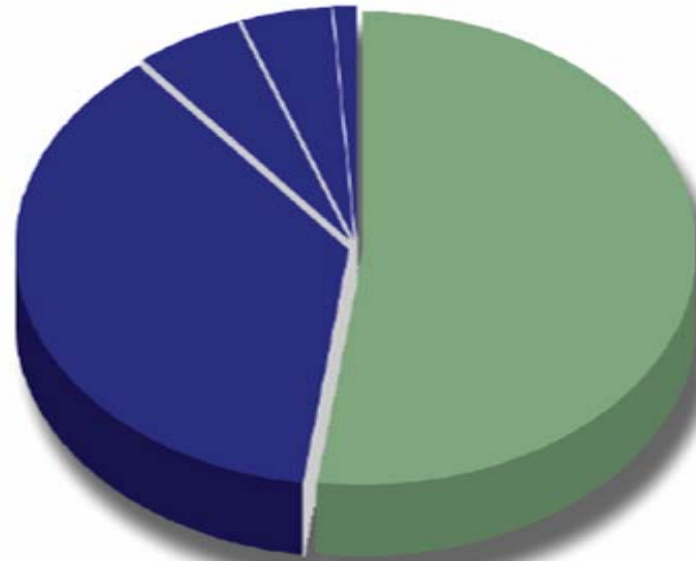
- ✦ With assessed property values staying the same there will be no market change (or perhaps minimal) and the tax distribution policy should not require a change.

Property Tax Rate Impact (2008)

- ✦ 2009 tax requirement will be the percentage increase added to the 2008 tax rate.

Collected on
behalf of other
taxing authorities (46.3%)

- ✦ School (36%)
- ✦ Regional District (4.9%)
- ✦ Hospital (4.3%)
- ✦ BC Assessment (1.1%)



- ✦ Municipal Property Taxes (53.7%)

Property Tax Rate Impact

- ✚ 50% school tax rebate for the class 4 - major industry and class 5 - light industry properties
 - Municipalities will show the normal school tax rate and then show an industrial school tax credit on a separate line.
 - This will require a change to the format of the tax notice and program changes to the City's property tax system.
 - The administration fee for accounting, remitting and reporting school taxes to the government will be impacted by the 50% rebate.

PROPERTY TAX FORMULA

Assessed Property Value

x

Property Tax Rate

=

*** Property Tax Bill ***

Property Tax Bill Impact

- ✦ With assessment locked in:
 - It will favorably impact the properties that are generally increasing at a higher rate than the average and hurt those properties that would be increasing at a lower rate than the average.
 - It does not mean that tax rates are locked-in.
- ✦ A change in property taxes will be dependent on each taxing authority's 2009 tax requirements

New Property Tax Deferment Program

✚ Temporary Property Tax Deferment Program:

- For the 2009 and 2010 taxation years only.
- Applicants will have to attest to the fact that they are facing financial hardship related to current economic conditions.
- There will be no age restriction
- The minimum equity requirement will be 15% of BC Assessment value
- The interest rate will be at prime

New Property Tax Deferment Program

✦ Questions that remain unanswered are:

- How many homeowners will qualify and take advantage of the new program?
- Will current City staffing levels be adequate to meet the demand created by this new program?
- Will the province ensure the City is compensated for the increased administrative costs?
- Will the province ensure that payments to the municipality are prompt, to avoid city loss of interest revenue?

Your Questions ?

