



February 10, 2016

Ref: 165594

His Worship Mayor Derek R. Corrigan  
City of Burnaby  
4949 Canada Way  
Burnaby, BC V5G 1M2

SECTION 2  
COUNCIL CORRESPONDENCE  
City Manager  
Deputy City Managers  
Dir. Finance  
City Solicitor  
Financial Mgmt Committee (Feb. 25)

Dear Mayor Corrigan:

Thank you for your letter of December 17, 2015, regarding your concerns about anticipated property assessment changes in 2016. I apologize for the delay in responding. Let me begin by saying that we take your concerns very seriously, and want to work with you to address the potential tax implications of the 2016 assessment roll on Burnaby residents.

As you are aware, the BC Assessment Authority is an independent Crown corporation mandated to create a fair and accurate assessment roll, which is then used by local governments to distribute the tax burden within classes – as well as across classes – by adjusting tax rates accordingly. I understand Burnaby City Council is considering an adjustment to the Class 1(Residential) tax rate, but that there are still concerns about homes with above-average value increases that may experience higher tax hikes relative to others.

Due to provisions in the *Community Charter*, local governments cannot vary tax rates within a class. However, another option available to local governments which experience dramatic increases in market-driven assessed values is to pass a bylaw to average assessed values over three years (Part 7, Division 3, Section 198(1)), as has the City of Vancouver. This measure can help address tax impacts that may arise when properties experience a significant assessed value increase above the average for the class.

I have directed Ministry of Community, Sport and Cultural Development staff to work closely with Burnaby City Council to review assessment averaging and other options that may be able to assist the city in partially offsetting increases in assessed values, allowing it to better manage property tax increases. Further, as in past years, the Province of British Columbia is carefully reviewing school property tax rates so that, on average, any adjustment or increase to the rates will be limited to inflation and new construction added to the assessment roll for 2016.

In your letter, you also ask the Province to consider freezing property assessments at 2014 levels. I would like to be clear that an assessment roll freeze is not being considered at this time. The current assessed values are the best basis on which to share the tax burden. Using a previous year's values

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would serve only to share the same tax burden based on an older set of assessments; this may be perceived as unfair by those whose property has decreased in value, or increased less than the average. In addition, a roll freeze would require a statutory amendment which would impact the entire province, and is a measure intended for only extreme and highly unusual circumstances that affect every community in British Columbia.

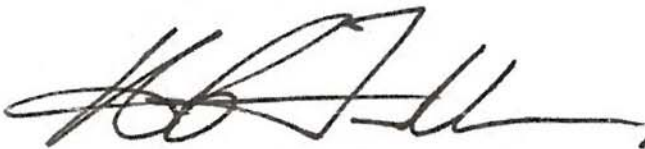
I would also like to address your concern about Home Owner Grants. I am aware that large increases in assessed values for homes in Metro Vancouver could create hardship for property owners who lose eligibility for the Home Owner Grant because their assessments are greater than the threshold. The threshold and market trends are reviewed each year by the Ministry of Finance so that the Province can make appropriate adjustments to ensure that homeowners can appropriately benefit from the full Home Owner Grant program, while recognizing that a suitable threshold on assessed value is necessary to preserve fairness. The 2016 threshold has been increased to \$1.2 million, and 91 percent of homes in the province fall below this threshold.

For homes with assessed values above the threshold, the grant is gradually phased out at the rate of \$5 per \$1,000 of assessed value. Low-income seniors and other taxpayers who would qualify for the Home Owner Grant except for the high value of their homes can apply for the low-income grant supplement, which essentially replaces any Home Owner Grant lost to the threshold. Property owners can also inquire about eligibility for the provincial tax deferment program.

I want to reiterate that Ministry staff are committed to working with Burnaby City Council, within existing legislative provisions, to help mitigate the impact of significant increases in market-driven assessed values.

Thank you again for writing.

Sincerely,

A handwritten signature in black ink, appearing to read 'Peter Fassbender', with a stylized, cursive script.

Peter Fassbender  
Minister

