

**TO:** MAYOR & COUNCILLORS

**FROM:** DEPUTY CHIEF ADMINISTRATIVE OFFICER AND CHIEF FINANCIAL OFFICER

**SUBJECT:** **ASSESSMENT DATA AMENDMENTS AND MUNICIPAL FINANCIAL IMPACT**

**PURPOSE:** To seek Council approval to submit a resolution to the Union of British Columbia Municipalities (UBCM) for the purpose of obtaining legislative amendments for assessment appeals and assessment data error adjustments.

## RECOMMENDATION

**THAT** staff be authorized to submit the proposed resolution, as outlined in the report titled “Assessment Data Amendments and Municipal Financial Impact” dated June 10, 2025, to the Union of British Columbia Municipalities.

## EXECUTIVE SUMMARY

The intention of this report is to explain why staff are requesting a resolution be submitted to UBCM for amendment to legislation governing property value assessment appeals and corrections to the assessment roll.

### 1.0 POLICY SECTION

This report pertains to Part 1, Section 12 of the *Assessment Act*, whereby the Act empowers BC Assessment (BCA) to make amendments to the assessment roll for properties for which the assessment value has changed in the current or a previous year, or whereby the assessor may, at any time before December 31 of the year following completion of the assessment roll, correct errors and omissions in a completed assessment roll by means of entries in a supplementary assessment roll. In addition, it also falls under Part 7, Division 11 of the *Community Charter*, Sections 239 – 241, with regards to interest on overpayments, and assessment changes.

### 2.0 BACKGROUND

This report focuses on two distinct processes, both of which pose a risk to municipal finances. These are:

- Assessment Appeals, and
- BCA data corrections.

## 2.1 Assessment Appeals

Amendments to the assessment roll (the property value data on which taxes are based) are generated throughout the year by BCA to change the value or classification of property as a result of property owner appeals against their assessed value. The City receives around ten adjustments per year for current year appeals, with a similar number per year relating to prior year appeals. Known as Supplementary Roll Adjustments, they result in either a decrease or increase in a property's assessed value, resulting in a refund, or additional taxation charge. Interest is payable in line Part 7, Division 11, of the Community Charter for any overpayment of property taxes. All costs related to a reduction in taxation and interest payable are borne by each taxing authority, including the City of Burnaby.

In February 2021, Mayor Hurley wrote to the then BC Minister of Finance – Selina Robinson, MLA, requesting that the BC Government undertake a review of the assessment process, including the timing of appeal decisions on property taxation. Four key points of concern were raised:

- The number of appeals vs resources of BCA
- Information sharing
- Roll instability
- The prescribed classes of property regulation and 2016 supreme court decision

Following additional follow up correspondence, and a direct meeting between Mayor Hurley and then Attorney General – David Eby, a final reply was received from the Ministry of Finance on May 5, 2022. It noted that a proposed engagement process would be undertaken, focusing on efforts to address increasing appeal volumes and streamline administrative and communication functions, with the goal of expediting the information exchange and resolution processes.

Appeal numbers and expenses continue to fluctuate, while municipalities have little ability to accurately budget for the resulting expenditure. Appeal expenses are a reduction in taxation revenue because of an assessment appeal. See **Table 1**:

**Table 1** – City of Burnaby Appeal Expenses (lost taxation revenue and interest charges)

	2020	2021	2022	2023	2024	2025 to date
<b>Appeal expense</b>	\$6.4M	\$1.5M	\$0.43M	\$0.87M	\$1.5M	\$1.4M
<b>Budget*</b>	\$1.2M	\$2.2M	\$1.3M	\$1.2M	\$1.0M	\$1.0M

\*The primary funding source for appeals is Stabilization Reserve.

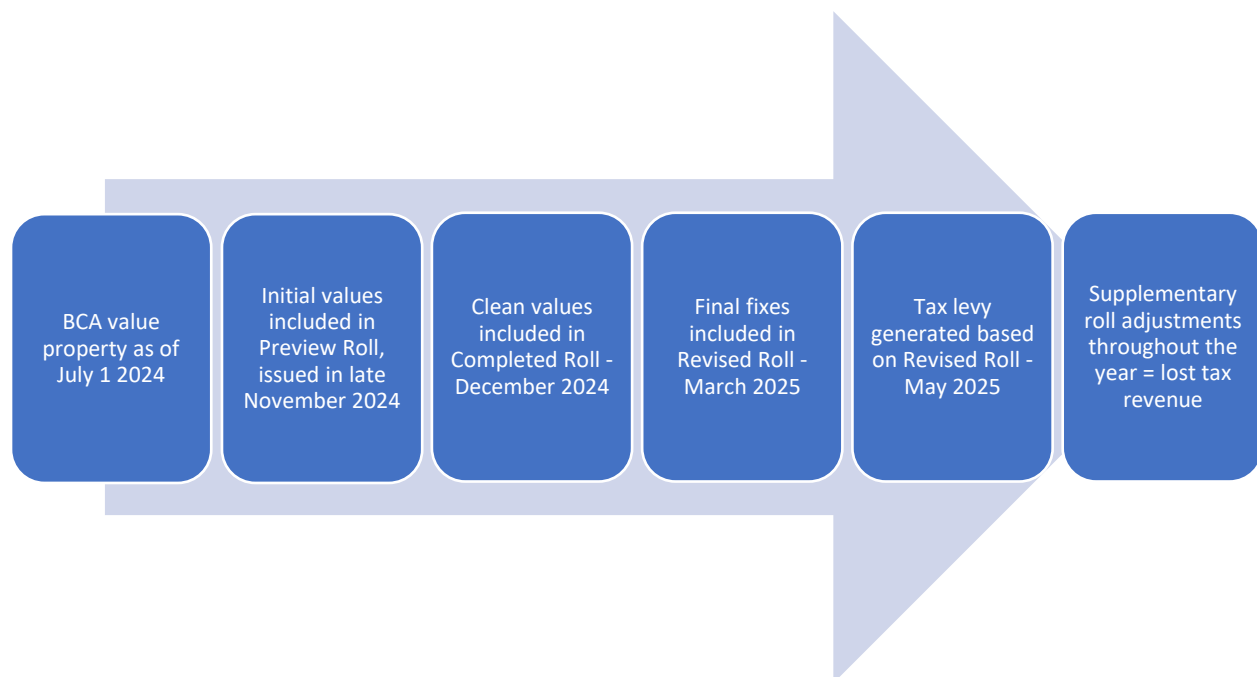
## 2.2 Data Errors

BCA generate three sets of assessment data per year.

- Preview roll – Mid November (Initial raw data, subject to change)
- Completed Roll – Late December (Updated clean data for the new year)
- Revised Roll – Late March (Final roll upon which the tax levy is calculated)

If errors in the assessment roll are identified, City of Burnaby staff work closely with BCA to ensure that corrections are incorporated into the assessment roll in time for taxation in May. However, if time does not permit the incorporation of fixes into the Roll or errors are identified after publication of the Roll, then any correction must come in the form of a Supplementary Roll adjustment. As noted above, it is the city and other taxing authorities (School, Metro Vancouver, TransLink, MFA and BCA) who incur a reduction in their individual tax levies for said corrections. At the moment, the city is bearing an extra ordinary unbudgeted expense of approximately \$1.7 million in the form of foregone property taxation revenue and interest for errors made by BCA. Municipalities have no recourse to recover these expenses from BCA, i.e. by deducting said expenses from the annual requisition payable to BCA.

## 2.3 Timeline



### **3.0 GENERAL INFORMATION**

#### **3.1 Proposal**

Staff are proposing that the Provincial government repeal the Supplementary Roll process for assessment appeals. In its place, any amendments to the assessment roll as a result of an appeal would be held until they can be included in the next Completed or Revised Roll. This will ensure that taxing authorities such as the City of Burnaby are protected from appeal decisions which adversely impact the tax base. While it is acknowledged that this will likely delay the provision of tax adjustments to appellants who are successful in their appeal, it will significantly lessen the burden on local authority finances.

Supplementary roll adjustments would only be used for data errors, required for in year corrections – i.e. the taxable status of a property is incorrect due to a data error and a fix is required to ensure a revised Tax Notice can be produced in the year.

It is further proposed that any financial losses incurred by municipalities as a result of data errors on the part of BCA, are made recoverable from the annual remittance by municipalities to BCA, rather than resting with the municipality.

#### **3.2 Resolution**

The regular process for submitting resolutions to UBCM is to have them presented to the Lower Mainland Local Government Association (LMLGA), before being submitted to UBCM. This process saw approval of 2025 resolutions through the LMLGA earlier this year. Given recent data errors and continuing concerns with respect to appeal costs, it is proposed that the following resolution be added to the list for 2025.

*WHEREAS the current process for implementing BC Assessment Authority valuation changes resulting from appeals or administrative revisions requires municipalities to retroactively issue tax refunds or supplementary charges within the same taxation year, creating significant and unpredictable financial impacts on local governments;*

*AND WHEREAS municipalities have no control over the timing or outcomes of assessment appeals or corrections, yet are solely responsible for funding the resulting tax adjustments—often requiring the repayment of substantial amounts from local tax revenues, and thereby undermining financial stability and budget certainty;*

*AND WHEREAS a deferred adjustment model—whereby changes arising from appeals or identified data discrepancies are reflected in the next completed (January) or revised (March) assessment roll—would enable municipalities and other taxing authorities to set tax rates based on an updated and stabilized tax base, while still allowing property owners to benefit from a successful appeal in the following tax year;*

***THEREFORE, BE IT RESOLVED*** that the Union of British Columbia Municipalities request the Provincial Government to review and revise the procedures governing assessment roll adjustments to ensure that:

- *revisions resulting from assessment appeals or identified data inconsistencies are not applied retroactively through the supplementary roll;*
- *local governments have a mechanism to address factual discrepancies in assessment data outside of the formal appeal process; and*
- *all appeal-related adjustments are incorporated into the next Completed or Revised assessment roll, to mitigate unanticipated financial impacts on local governments and support a fair, predictable taxation environment for all stakeholders.*

### **3.3 Related resolutions**

The most recent resolution regarding assessment appeals is from the City of Coquitlam in 2021. The resolution and ministry response is included as Attachment 1. While related, its focus is restricted to the appeal framework, the timeliness of decisions and their transparency. The City of Burnaby's proposed resolution is an attempt to re-write the overarching legislation in a way that still permits the appeal process to function but protects taxing authorities from adverse changes to the roll.

## **4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT**

A copy of this report will be provided to the Deputy Assessor - BC Assessment.

## **5.0 FINANCIAL CONSIDERATIONS**

Annual operating budgets include a provision for assessment appeal expenses. Due to their uncertainty, the City is unable to accurately forecast the likely cost of appeals and data adjustments. The proposed amendments to the Assessment Act would remove this uncertainty for local government, and the subsequent stress they place upon municipal finances.

Respectfully submitted,

Richard Rowley, Director Finance – Revenue Services

For:

Noreen Kassam, Deputy Chief Administrative Officer and Chief Financial Officer

## **ATTACHMENTS**

Attachment 1 – Appeal NR24. 2021.

## **REPORT CONTRIBUTORS**

This report was prepared by Richard Rowley, Director Finance, Revenue Services.