

Subject: Assessments and Taxes.

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A MESSAGE FROM ERNIE CRIST;

Officially, at least, higher property assessments have nothing to do with the projected increase in municipal taxes. If the value of a property has increased and provided the assessment authorities made the necessary adjustments, the municipal tax should not be more than that set by the Municipality which in the District of North Vancouver for 2004 is estimated to be 5% more or less.

This at least is the theory. In reality, however, increases in assessments in a hot market prove to be a convenient municipal smokescreen to blame above average tax increases on higher assessments. This is because assessments are never uniform throughout the municipality and, in fact, vary from home to home and area to area. They are never the same in any given year throughout the whole municipality.

This lack of uniformity right off the bat creates an unequal playing field. It works something like this. The municipality increases taxes by say 5% for single family residential, subsequently the 2004 tax increase should not be more than 5 % higher than last year. However, if for one reason or another the assessment of your home has increased or increased more than average, you will pay proportionally more. You will pay taxes based not only on the 5% increase ordered by the municipality but also for the additional assessed value of your property.


BC assessment claims that assessments are within 97 % of market value but this must be taken with grain of salt. As demonstrated, repeatedly, assessments in relation to market value can vary considerably, especially in a red hot market. The municipality takes the total assessed property value provided by the BC Assessment Authority and sets the tax rate according to its tax needs. It does not differentiate between properties which may or may not have had the same increase in assessed value.

Thus, the higher the increase in the assessment, the higher the tax increase. This is confusing to many taxpayers and diverts their attention away from the hefty increase in municipal taxes. Municipalities blame the assessment office for this and rightfully so. However, it also takes the edge off the anger the public might otherwise direct against the Municipal Hall.

For instance District taxpayers might ask why, given the high tax increase, the District continues to subsidize the City. The City is building the high-rises while the District is building the playing fields. Not to mention the Heritage Fund which is intact in the City but in the District has disappeared as fast as the recent snow. Not to speak of the infrastructure reserve funds which stand at \$ 1,600 per capita in the City and in the District have come to all but naught in the last ten years and this despite the much higher than average tax increases.

For many homeowners the issue becomes a source of frustration for having to pay more than the officially announced municipal tax increase. Often it becomes an issue between neighbors instead of all against the municipality for increasing taxes in the first place or against the assessment authorities for pursuing what many people perceive as an unfair assessment policy. The scenario could be categorized as a divide and rule policy. It could also be classified as a convenient smokescreen to divert attention from the hefty increase in municipal taxes in the first place.

It does point to an altogether bigger issue however, namely; that homes are places to live and raise a family and not places which produce taxable wealth. One of the reasons why taxes for homes keep going up is because the provincial government not only continues to download its responsibilities onto the shoulders of municipal government but also because it constantly interferes on behalf of big corporations who pay proportionally less than homeowners do. And they do this despite promises before the election that they would never do this and despite the apparent higher tax rate for industrial properties as opposed to homes. And also despite the fact that under Canadian tax laws, taxes on industrial properties can be written off as expenses while homeowners can do no such thing.

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