

Property Taxes in the City of Vancouver

By Sarah Jones and Brock Johnston

This article summarises the basic information property managers need to understand regarding property tax assessments.

Notices of Assessment

On December 31st of each year, B.C. Assessment mails out notices to property owners letting them know the assessed fair market value of their property as of July 1st in that year. This assessment includes not only the market value of an owner's property, but also the property's classifications and exemptions as of July 1st. This assessment is used by taxing authorities (namely, the provincial government, municipalities and some First Nations) to determine the amount of owners' property taxes. The tax authorities apply the tax rate (commonly called the "mill rate") needed to generate their desired revenue from the assessed properties, and then mail property owners the corresponding tax notices.

In this way, B.C. Assessment's evaluation is reflected in the property tax notice that the City of Vancouver and other municipalities mail to property owners. This notice includes a break-down of the taxes being levied on the assessed property, as well as the total amount the property owner must pay for the year. The property tax notice may contain specific line items that set out the amounts of taxes levied by the Transportation Authority, Municipal Finance Authority, the City's General Levy, and others. The notice may also specify local improvement charges and other amounts that are owing to the tax authority in respect of the property.

The amount of property taxes an owner pays varies from year to year. This fluctuation is due to factors such as an increase in the mill rate, a change in assessed values, new or increased utility charges and new local improvement charges.

Appeals of Assessment Notices

If a property owner wants to dispute B.C. Assessment's estimate of their property's market value, exemption status, or classification, the first step is to contact their local assessment office. When a property owner makes a complaint, B.C. Assessment will review the complaining owner's assessment, and determine whether it believes a change or correction is required. If B.C. Assessment is in favour of a change, it will recommend this change to a Property Assessment Review Panel on behalf of the owner. If B.C. Assessment does not agree with a property owner's dispute, it will inform the property owner of this. If the property owner still disagrees with the assessment, the owner can request an independent review before a Property Assessment Review Panel. This request must be delivered in writing to B.C. Assessment before 12:00 a.m. on the January 31st following the property owner's receipt of the Assessment, failing which the owner will have to wait until the next year to appeal the assessment.

Although the process of challenging a parking tax assessment is similar to the process of challenging a property tax assessment, the notice of complaint that must be filed goes to different parties, depending on whether the complaint is about the taxpayer's property or the parking assessment. While a property tax notice of complaint is filed with B.C. Assessment, a parking tax notice of complaint should be filed with TransLink directly. As a result, taxpayers with concerns about both their property and parking tax assessments must file two separate notices of complaint.

Payment Deadlines and Penalties

There are strict deadlines that must be followed in respect of tax assessments and payments. For instance, in Vancouver the City issues tax notices twice a year. The Advance Tax Notice is always due on the second business day of February. The Main Tax Notice is always due on the second business day of July. However, many other municipalities only issue tax assessments once a year.

Where property owners are also responsible for paying parking tax, a parking tax assessment will be included on the property owner's property tax notice. This parking tax must be paid along with, and in the same manner as, the owner's property taxes.

If an owner fails to pay the property tax assessment on or before its due date, the City will impose a penalty charge for late payment. In Vancouver, a five per cent penalty will be imposed if property taxes are not paid on or before their due date. A further penalty may also be levied if a property owner's taxes are not paid subsequent to their due date. The penalties for late payment do not accrue on a day-to-day basis. As such, if property owners are even a single day late with their payment, they will have to pay the entire penalty imposed by the municipality.

Ways to Pay Your Property Taxes

There are a number of ways property owners can pay their tax assessment. In Vancouver, an owner can opt to pay property taxes in person at City Hall, by mailing the return envelope included in the tax notice, by phone and internet, by the drop boxes located at City Hall and through most banks.

In addition, property owners have the option of taking part in the Tax Pre-authorized Payments Plan. With this plan, property owners make monthly payments for their subsequent year's property taxes. These payment amounts are estimated based on the owner's previous year's assessment, and as such, are subject to adjustment. There are ten payments made for a given tax year. The payments are made on the first business day of each month, commencing in August and ending in May. Interest is earned by the property owner on these payments at a rate set in August of each year, and it is credited to the property owner's account on a monthly basis.

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