

Penticton Indian Band

February 6th, 2020

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BC ASSESSMENT

Agenda

1. About BC Assessment
2. First Nation Customers / Valuation Principles
3. Appeal Case Law
4. Assessment Cycle and Appeals
5. Assessment Changes
6. Questions



BC ASSESSMENT

Who we are What we do

How we do it

Established in 1974 under the *Assessment Authority Act* in response to the need for a fair, independent organization that valued all property in the province

A provincial Crown corporation,
independent of taxing authorities






The Assessment Roll

- Annual list of property values provides stable, predictable base for real property taxation in B.C.
- Represents over 2 million properties with total value of \$1.86 trillion
- Identifies ownership, value, classification and exemptions for each property
- Provides stable base for local governments and taxing authorities to raise approximately \$7.5 billion annually in property taxes

Our Product

Five Frameworks

In BC the following **five Frameworks** are used for First Nations Property Assessment and Taxation:

-  1. Province or municipality taxes occupiers of reserves.
-  2. First Nation taxes occupiers of reserves under the First Nations Fiscal Management Act (FMA).
-  3. First Nation taxes occupiers of reserves under Indian Act, section 83.
-  4. First Nation taxes Treaty land (Including Nisga'a Nation).
-  5. Sechelt Indian Government District taxes on reserve.

How we value different properties



Residential



Commercial

- Market value as of July 1st
 - Residential
 - Commercial

Market value is the most probable price which a property should bring in a competitive market under all conditions requisite to a fair sale, the buyer & seller, each acting prudently, knowledgeably & assuming the price is not affected by undue stimulus.

Physical Condition Date is Oct 31st.

- Legislated (regulated values)

Provincial Assessment Act (BC)

- **"actual value"** means the market value of the fee simple interest in land and improvements;

Sample Financial Management Act Assessment Laws (BC)

- **“assessed value”** means the market value of land or improvements, or both, comprising an interest in reserve lands as if the land or improvements, or both, were held in fee simple off the reserve, as determined under this Law;

Penticton Indian Band Property Assessment Bylaw

- **“Market value“** “Except where otherwise provided, the assessor must assess interests in land at their market value as if held in fee simple off the reserve.”

Fee Simple Interest?



- Mirrors Provincial Assessment Act
 - Occupiers of Crown or Exempt Land assessed in this fashion.
- Efficiency and Cost Effectiveness
 - Fee simple sales are registered and require less analysis.
- Assessment Equity and Uniformity.
 - Assessments on and off reserve are comparable.
- Tax Rate Comparability.
 - First Nation Tax Rates can be compared to non-reserve jurisdictions.

Valuation Principles applied within all FN Frameworks

- Assessed in Occupier's Name
 - Owner of mobile home is added to the roll.
- Duration of Tenure is NOT considered
 - **Leasehold interests are not assessed.**
- Restrictions in Use are considered.
 - Higher intensive uses are assessed accordingly.
- Mobile Homes assessed with associated land value.
 - Land equates to the area of paramount occupation.
- Assessed Value to equate to Fee Simple Interest.
 - Comparable sales evidence off reserve are the benchmark.



1984 BCSC Golden Acres Stated Case

- The Board therefore finds that each mobile home is assessable for the lot or defined plot of ground upon which his mobile home is situated. He has acquired dominant occupancy, and therefore, is in possession of this area, He has become an occupier within the meaning of Section 34 (4) of the Assessment Act and is assessable as such.



2018 Tsawout First Nation ARB

- The Board’s view is that the legal duty of the Assessor, which is to value each residential property as if the area occupied by each residence were held in fee simple, applies as much to the “mobile home parks” as to the properties currently under appeal. Those properties ought to have been valued the same way as the subjects, by a direct comparison approach, rather than by a park-level income approach.



Recent Case Law from First Nation Appeals

2019 K'omoks First Nation ARB

- The precedent from the Supreme Court of British Columbia in the Golden Acres decision cannot be ignored by the assessor or this Board. Unless and until there is a decision of a higher court which overturns that decision, it is the law.



Recent Case Law from First Nation Appeals

2019 Tsawout First Nation ARB

- ...the Respondent is bound by the Law to value the property on an artificial basis - namely “as if” the fee simple interest could be bought and sold. Therefore, the Respondent has sought value evidence from true fee simple sales of properties near, but not on, the reserve. In so doing, the Board finds the Respondent was quite correct.



Recent Case Law from First Nation Appeals

First Nation Residential Occupier Project:

- ✓ Identified all residential occupiers located on First Nation Land
- ✓ Conducted a Residential Inventory Verification Mail out
- ✓ Identified fee simple comparable sales off reserve
- ✓ Researched amenity and locational differences between on and off reserve.
- ✓ Established 2020 Assessments based on accurate improvement inventory and fee simple market sales
- ✓ Communicated new assessments to First Nation Tax Administrators, Early Notification Letters, Assessment Notices and Open Houses.

- SFD Results
 - The Bow 46 SFDs
 - Average SFD Assessment 2019 \$331,438
 - Average SFD Assessment 2020 \$423,398
 - Percentage Change of Average Assessments +28%

- SFD Results
 - Skaha Hills 96 SFDs
 - Average SFD Assessment 2019 \$697,866
 - Average SFD Assessment 2020 \$811,337
 - Percentage Change of Average Assessments +16%

Results for Penticton Indian Band



Skaha Subject

Fee Simple Sale 1

Fee Simple Sale 2

Fee Simple Sale 3

114 View Pl
Yr Built: 2015
Main Floor: 1459 SF
Bsmt: 1459 SF
Bsmt Fin: 1300 SF
Lot: 0.1319 Ac

2117 Lawrence Ave
Yr Built: 2015
Main Floor: 1458 SF
Bsmt: 1114 SF
Bsmt Fin: 1003 SF
Lot: 0.1891 Ac

144 Sendero Cres
Yr Built: 2018
Floor: 1319 SF
Bsmt: 1319 SF
Bsmt Fin: 1276 SF
Lot: 0.1283 Ac

Main

158 Sendero Cres
Yr Built: 2018
Floor: 1358 SF
Bsmt: 1358 SF
Bsmt Fin: 1222 SF
Lot: 0.3138 Ac

Main

2020 Assessment
\$833,000

Aug 2019
\$855,000

Apr 2019
\$787,500

Aug 2019
\$899,999

Sales Comparison Skaha Hills



The Bow Subject

4-351 Warren W Ave
Yr Built: 2018
Main Floor: 1497 SF

Lot: 0.103 Ac

2020 Assessment
\$446,000

Fee Simple Sale 1

139-1675 Penticton Ave
Yr Built: 2016 Main
Floor: 1580 SF

Lot: 0.0930 Ac

Jul 2019
\$530,000

Fee Simple Sale 2

121-1675 Penticton Ave
Yr Built: 2018
Main Floor: 1350 SF

Lot: 0.1090 Ac

Jan 2019
\$624,750

Fee Simple Sale 3

128-1675 Penticton Ave
Yr Built: 2016
Main Floor: 1386 SF

Lot: 0.1050 Ac

Jun 2019
\$560,000

Sales Comparison The Bow

Communication to Customers

- Early Notification Letters sent in early December
- Assessment Notices sent early January
- Visit BC Assessment website www.bcassessment.ca
- Call BC Assessment at 1-866-825-8322

Next Steps Penticton Indian Band

Penticton Indian Band- Property Assessment Law, 2015.

- January 1st Assessment Notices Mailed
- Feb 14th Deadline to Appeal
- \$30 Appeal fee



Penticton Indian Band Appeal Process

**For Detailed Sales Information
BC Assessment Appraisers
at 1-866-825-8322**

