

Risk Analysis

Though the 2021 preliminary assessment roll in itself presents little risk to The City, the resulting tax implications associated with the changes in the roll will, anticipating Council will approve a 0 per cent tax rate change during budget deliberations. There are 3 risks that have been highlighted within the report and a further analysis of them can be found below.

1. Property tax shifts are expected to result from 2021 assessment changes.		
Analysis: It is established that 2021 will see tax shifts as a result of certain property sectors remaining stable (or in some cases, increasing in assessed value) when compared to other sectors that have decreased in assessed value by varying degrees. See Attachment 3 for specific examples.		
Risk Rating	Likelihood	Impact
High	Likely	Significant
Mitigation Tools: Promote Council, public and CFO awareness for budget planning purposes and tax distribution contemplation, promote public awareness of impacts.		

2. Assessment tribunal activity is expected to increase resulting in potential increased tax loss and decreased roll stability.		
Analysis: Increased Assessment Complaints are expected due to: <ul style="list-style-type: none"> • financial hardship; • assessment shifts and expected tax shifts; and • new market information unknown to Assessment. 		
Risk Rating	Likelihood	Impact
Medium	Possible	Moderate
Mitigation Tools: Assessment agreements, stakeholder engagement, promote public understanding of shifts, promoting awareness to Council, the public and CFO to support planning.		

3. Foreseeable stakeholder advocacy for tax relief.		
Analysis: In response to property tax shifts, two separate groups have expressed their opposition. Due to risk #1 above combined with the economic impacts of the pandemic, it is possible that this will occur again in 2021 with the groups experiencing the greatest tax shifts. Also, due to the bow wave effect of previous Phased Tax Programs (PTP) some property owners may experience a greater shift in their taxes and will call for additional tax relief.		
Risk Rating	Likelihood	Impact
High	Possible	Significant
Mitigation Tools: Assessment agreements, stakeholder engagement, promote public understanding of shifts, promoting awareness to Council and CFO to support planning.		