



Assessment Smoothing Scoping Report

Implementation of Financial Task Force Recommendation 35

2022, September 29



Recommendation

That Executive Committee recommends that Council should not pursue assessment smoothing.

Purpose and Scope



FTF Report Recommendation 35

Investigate a multi-year assessment smoothing for tax policy update emphasizing evidence from the 2015 to 2019 downtown tax shift for a long-term policy response.

Scope

Provides a case study for what could have occurred if smoothing was applied to non-residential property assessments to address the dramatic drop in downtown office values

What is Smoothing?

- Assessment smoothing is simply a method to reduce tax volatility due to significant year-over-year changes in assessed value through phasing in or averaging assessments.
 - Assessment smoothing redistributes tax responsibilities from one group of properties to another

Highlights



Change in Property Taxes

Smoothing (averaging) results in property taxes to increase for most properties



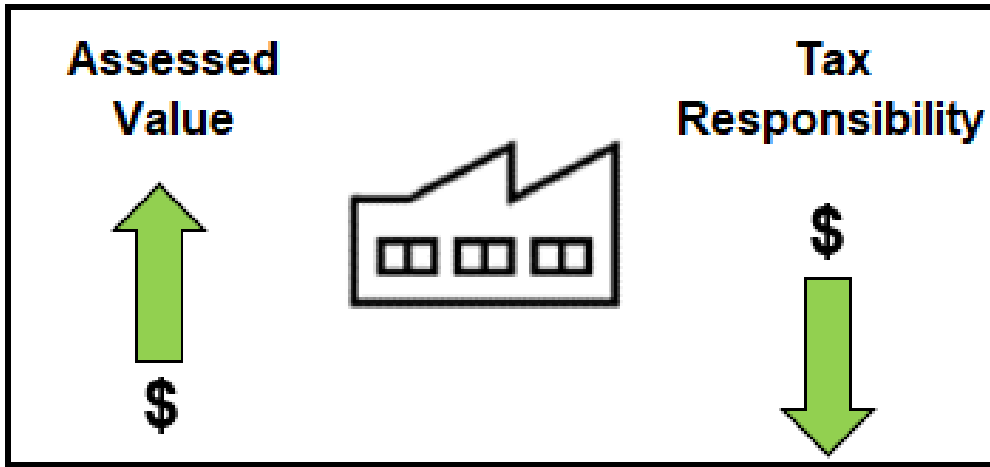
Smoothing is complex, less transparent and less equitable



Legislative changes needed to implement smoothing

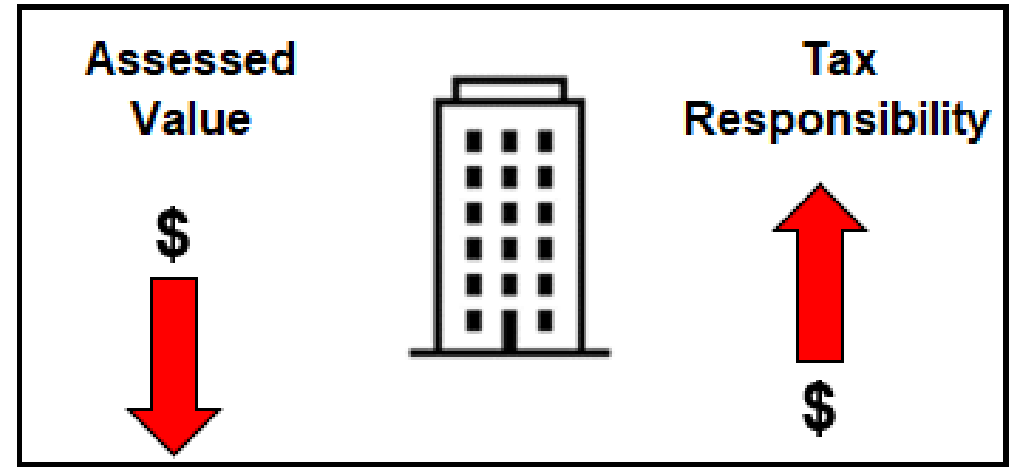
Impacts of Smoothing

Increased Ability to Pay



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Decreased Ability to Pay

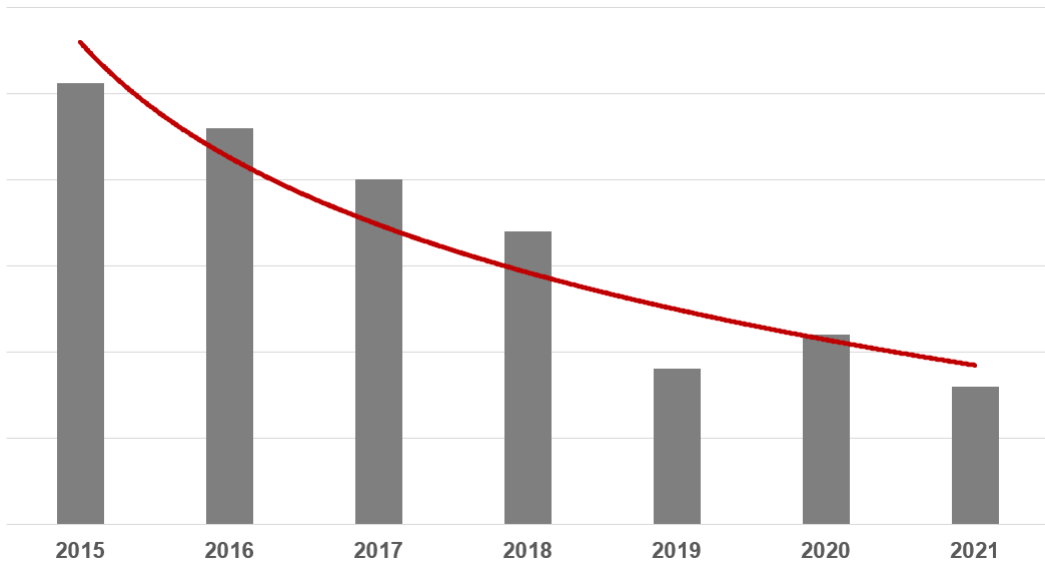




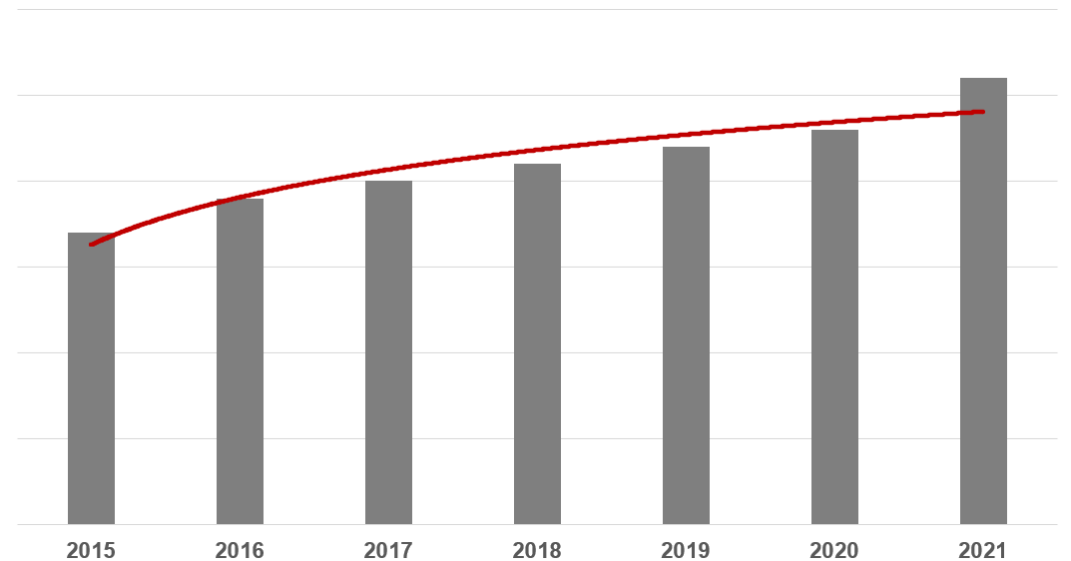
Local Context for Smoothing Across Canada

Non-Residential Assessed Values 2015 - 2021

Calgary



Vancouver





Recommendation

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