



# 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

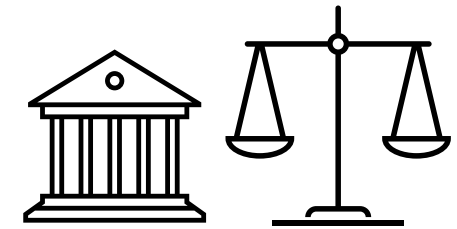


Change in Property Taxes

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



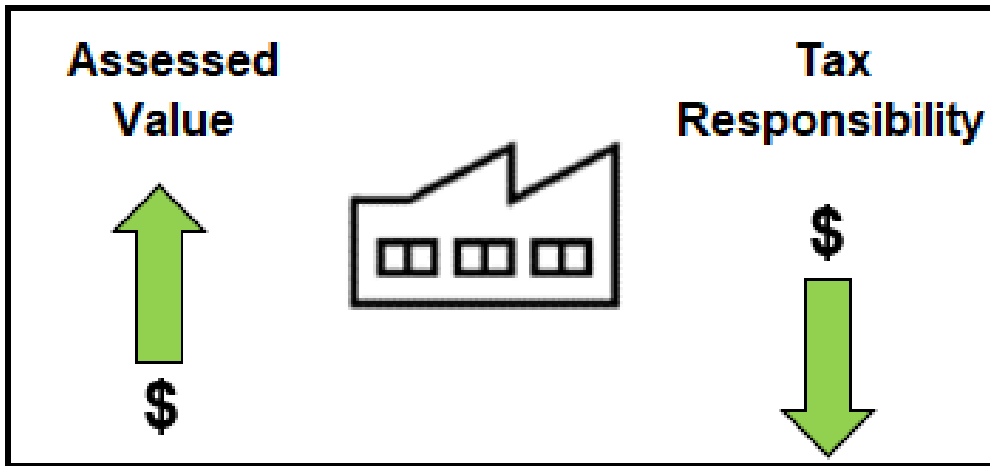
Smoothing is complex, less transparent and less equitable



Legislative changes needed to implement smoothing

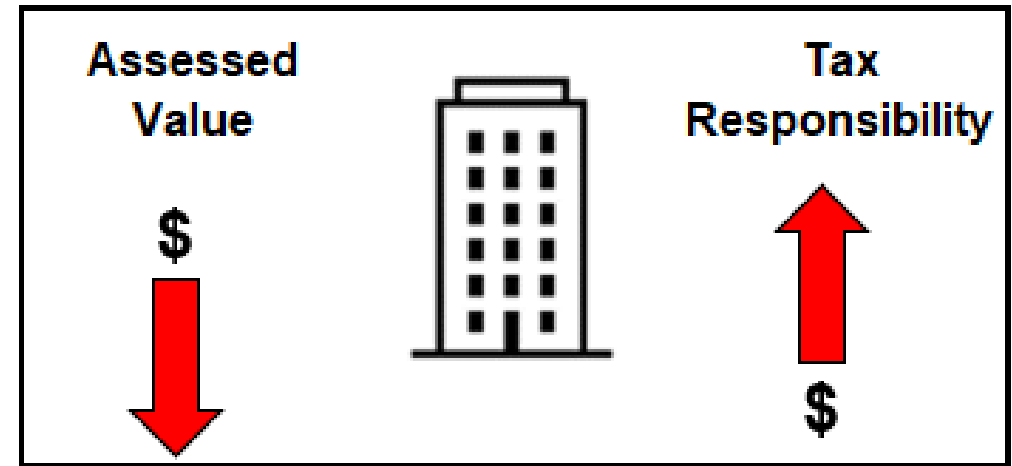
# Impacts of Smoothing

## Increased Ability to Pay



=

## Decreased Ability to Pay

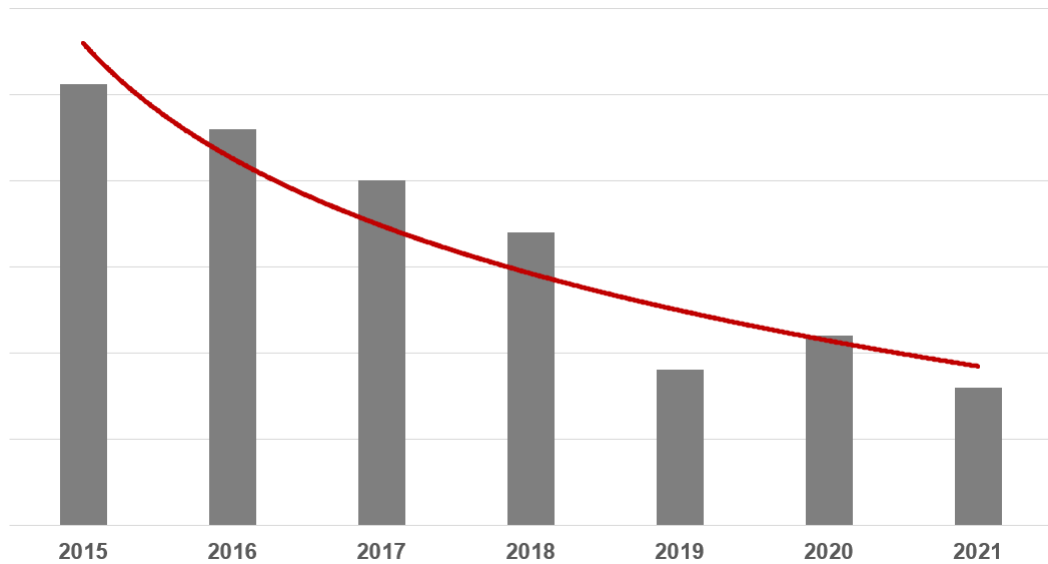




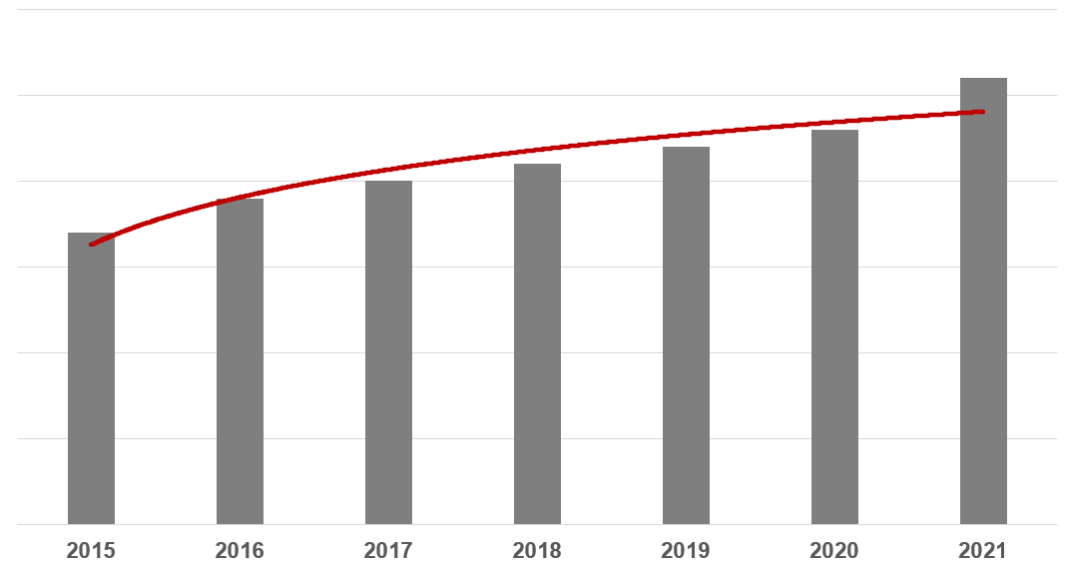
# Local Context for Smoothing Across Canada

## Non-Residential Assessed Values 2015 - 2021

### Calgary



### Vancouver



# Recommendation

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