



PROPERTY ASSESSMENT APPEAL BOARD

Government Finance Officers Association of BC

April 27, 2022



Board Profile

- The Property Assessment Appeal Board is a quasi-judicial administrative tribunal established under the *Assessment Act*.
- It is the second level of property assessment appeals following the first level, the Property Assessment Review Panels.
- The Board is INDEPENDENT from BC Assessment and the Review Panels.
- BC Assessment is an active party to every appeal before the Board. The Board therefore adjudicates between the appellant (usually the taxpayer, and BC Assessment.



PROPERTY ASSESSMENT APPEAL BOARD

Board's Mandate & Jurisdiction



The Property Assessment System

- *Assessment Act* (the *Act*): provides for an annual assessment roll for the purpose of levying property taxes by local governments and other taxing jurisdictions in the following calendar year.
- Section 19(2): Assessor must determine and enter on the assessment roll the actual value of land and improvements.
- For this purpose, BC Assessment uses a mass appraisal approach that involves the collection and analysis of market data to generate through computer modeling an estimate of value.
- This changes when an appeal is filed and properties are individually reviewed and valued at which point valuation evidence specific to the appealed property is presented.



Reviews of Property Assessments

4 Levels of review of property assessments in system:

- BC Assessment informal pre-roll and pre-PARP consultation: Property owners and third parties who have a complaint against the property assessment are encouraged to work with BCA staff to address concerns prior to filing a formal complaint. Not mandatory.
- PARP: Formal complaints against the property assessment roll are first heard by PARP. PARP's purpose is to ensure that: assessments reflect actual values (market value); assessments are applied consistently within a municipality or rural area.
- PAAB: Any person not satisfied with a decision of PARP may file an appeal to PAAB. The role of PAAB in relation to property assessment is to determine whether: the property is assessed at actual (market) value; the property is properly classified; or an exemption from property taxation applies. PAAB is independent of both the Property Assessment Review Panels and BC Assessment.
- Courts: Affected parties can appeal to the Courts. An appeal can only be made on a question of law and is known as a "stated case".



Purpose of the Property Assessment Appeal System

- To provide a final check on accuracy and fairness of the assessment roll to determine whether there is evidence to support the roll or evidence to support a change to the roll.
- These reviews must be effective and fair, but also efficient and timely in the context of an annual roll.
- The Board's role in the system is to be a rigorous check on the assessment roll and an independent, neutral arbiter of appeals.



Objectives of the Assessment Appeal System:

Morguard Investments Inc. v. Assessor of Area #12 2006 BCCA 24:

*“There is no doubt that two of the general objectives of the assessment and appeal scheme it incorporates are efficiency and certainty in the preparation of the assessment roll. However, they are not the only objectives. Two other clear policies of the [Act](#) are, to use a colloquial expression, to “get it right” and to have as open a process as possible. Presumably this is why the [Act](#) provides wide rights of appeal to those who may have information or arguments that the assessing authorities may not have considered or properly reflected in their decisions.... Moreover, there are various opportunities for delay in the assessment and appeal proceedings, notwithstanding the “timelines” specified in the [Act](#). [Section 57\(5\)](#), for example, provides that the assessor must enter any reassessments ordered under [s. 4](#) on a supplementary assessment roll, notwithstanding a twelve-month “deadline” imposed by [s. 12\(6\)](#). With respect to decisions of the Board, [s. 61](#) provides that the Board must issue its decision “at the earliest opportunity”, no doubt recognizing that it would be virtually impossible to impose a time limitation for this purpose. The Act does not specify any time within which notice of its decision must be given under [s. 62](#). Further, [s. 65\(6\)](#) provides that on a stated case, the Court must hear and determine it within two months; but non-compliance with that provision is unlikely to affect the validity of the appeal or the Court’s decision. ...All of these instances suggest that the **openness of the process and the full availability of rights of appeal may be as important legislative objectives as efficiency and finality in the statutory assessment scheme.**” (emphasis added)*



The Property Assessment Appeal System

1. Property Assessment Review Panels are the first level of appeals.
 - Given the short legislated time frame and the volume of appeals, the Review Panels provide a relatively effective mechanism for correcting obvious errors in the roll and provide very expedited and summary adjudication of other disputes. The Review Panels are not well equipped to deal with complex appeals, in part, because of legislated time constraints.
 - Sec. 40 of Act: the complainant has the onus of proof before Review Panel



The Board in Property Assessment System

2. The Board is the second level of appeals:
 - ensures assessments are accurate and consistently applied in the taxing jurisdiction – section 57 or “get it right”
 - Has an Inquisitorial jurisdiction
 - provides timely, efficient and cost effective resolution of appeals, including complex valuation and legal issues.



Board's Public Interest Purpose

- Government, as the authority responsible for assessment, must protect individual's rights to a fair assessment.

The Board functions as a quasi-judicial audit of assessment integrity:

- Appeals to the Board provide an opportunity for a fair and impartial review of property assessments, independent of the Assessor and of government, providing property owners, the public, taxing jurisdictions and government with assurance that property assessments are made in accordance with the legislated directions.
- Taxpayers' acceptance of the integrity and accuracy of the assessment system requires an opportunity to appeal to an expert, independent tribunal, which will act fairly and consistently.

This **independent** review:

- protects the rights of individuals, the public and local governments to fair, accurate, impartial and timely assessments,
- provides a transparent, accessible and affordable alternative to the courts, and
- promotes confidence in the integrity and accuracy of the assessment roll.



Key Stakeholders of Property Assessments:

- Property owners (individuals and corporations, including various provincial and local government entities) who pay taxes based on their property assessments
- Assessors, responsible for making the assessment, and the Assessment Commissioner, responsible for overseeing all BC assessments.
- Private sector property tax agents, who represent property owners.
- Local government/taxing jurisdictions, who use the assessments as the tax base against which property taxes are levied.
- The public, generally, in the fair allocation of property taxes in accordance with the government's policy direction.
- The government, as the policy making body.



Why does the Board rely on Appeal Resolutions?

In 1998, and with stakeholder input, the Board underwent significant structural and operational changes because of increasingly adversarial processes leading to long, drawn out, costly hearings that resulted in significant appeal backlogs:

Changes included:

- Legislative amendments to allow the Board to implement pro-active case management and alternative dispute resolution processes to resolve appeals without formal hearings whenever appropriate
- Professionalization of the Board with merit-based appointments of members with in-depth expertise and knowledge of property valuation, assessment and administrative law
- On-going stakeholder consultation to encourage efficiency



Board's Current Processes

The Board facilitates the earliest possible resolution of appeals, increasing the certainty of the property assessment roll and reducing the risk to property owners and local governments. The key strategies employed to accomplish this include:

- Re-directing the parties' focus and efforts from an adversarial hearing process to a collaborative approach to resolving appeals, without a hearing if possible, while ensuring compliance with the statutory requirements of accuracy and equity.
- Expanding appeal management to include all appeals, to provide greater opportunity for the parties to work toward resolution without a hearing, or if that is not possible, for orderly and efficient hearings.



Board's Mandate

The Board:

- ensures assessments are accurate and consistently applied in the taxing jurisdiction – section 57
- focuses on complex valuation and legal issues of broad application and local significance
- uses transparent and accessible processes, balancing the need for early roll certainty with the need for measured consideration
- provides a fair, open, flexible and affordable process to hold BC Assessment Authority accountable for its assessments
- ensures public confidence in the assessment roll and property tax base so that taxpayers can be assured their taxes are proper and fair



Board's Inquisitorial Jurisdiction

Section 57: can reopen property's entire assessment to ensure actual (market) value & equity

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- *De Novo Appeals*
- No onus of proof on a party

Legislative rationale for this jurisdiction: to provide a final, independent check on the assessment roll and to determine whether there is sufficient evidence to support the roll or a change to the roll based on enumerated grounds. This check must be effective and fair, but also efficient and timely in the context of an annual roll.



Board's Inquisitorial Jurisdiction

Effect of Inquisitorial Jurisdiction on Board Processes:

- De novo appeal - can add issues not raised at first level or as a ground of appeal
- Dismissal -only dismiss for non-compliance of a Board Order (sec. 18 of ATA)
NOT for lack of evidence and subject to common law principles of fairness and natural justice
- Evidence: The Board can not rely on onus of proof to dismiss appeals or confirm assessments (ie the appellant has not provided sufficient proof of an inaccuracy). Rather, once it has opened the entire question of the assessment and if there is evidence that the assessment is more likely than not inaccurate, the Board must amend

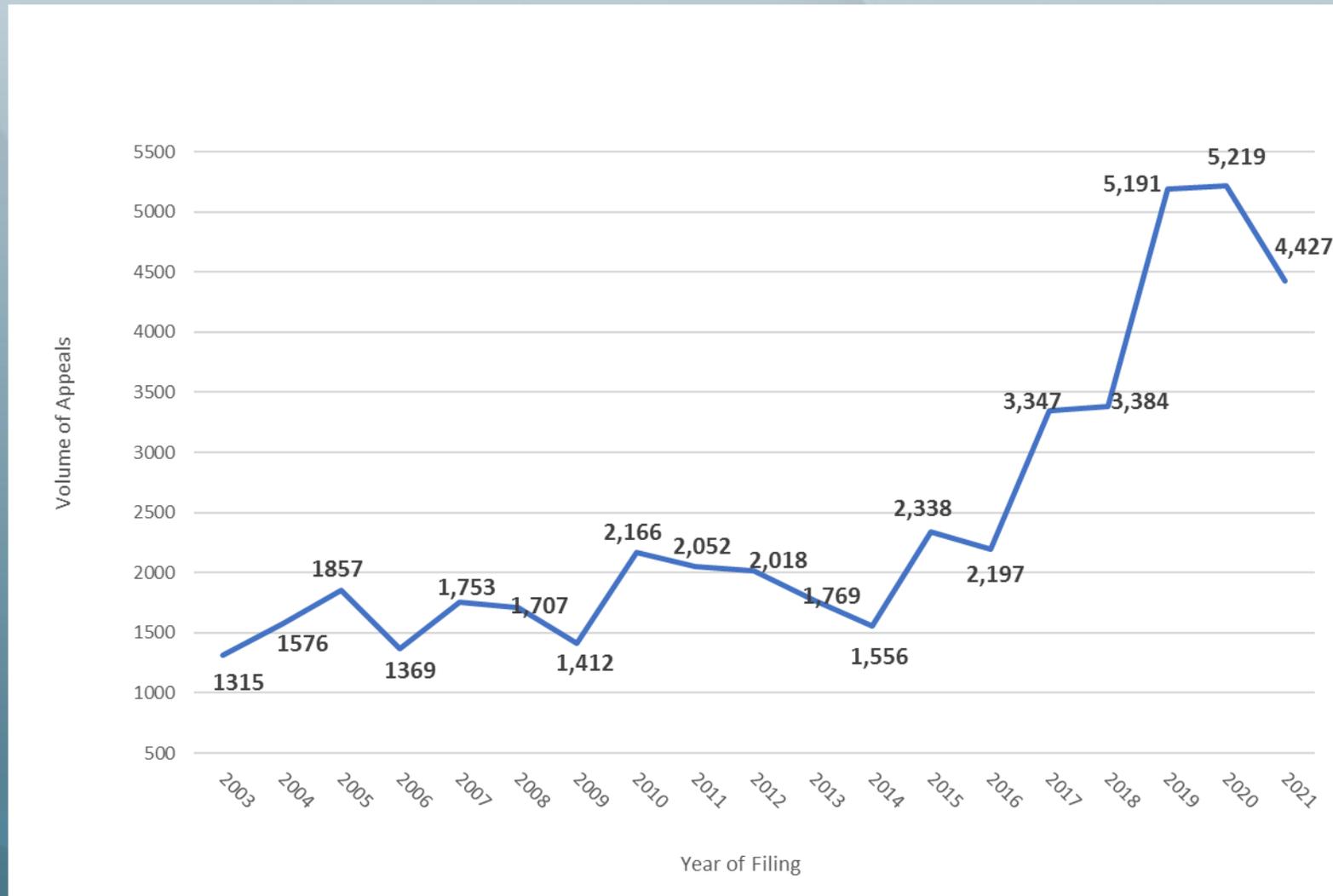


PROPERTY ASSESSMENT APPEAL BOARD

Target		Result
2021 commercial and industrial appeals	Complete or set for hearing 75 to 85% of appeals by Mar. 31, 2022	79%
2021 residential appeals	Complete or hear 90 to 100% of appeals by Dec. 31, 2021	97%
Decisions following a hearing	Issue decisions (on average) within 60 days	55
Appeal resolution without a hearing – 90% or greater	90% or greater	96%

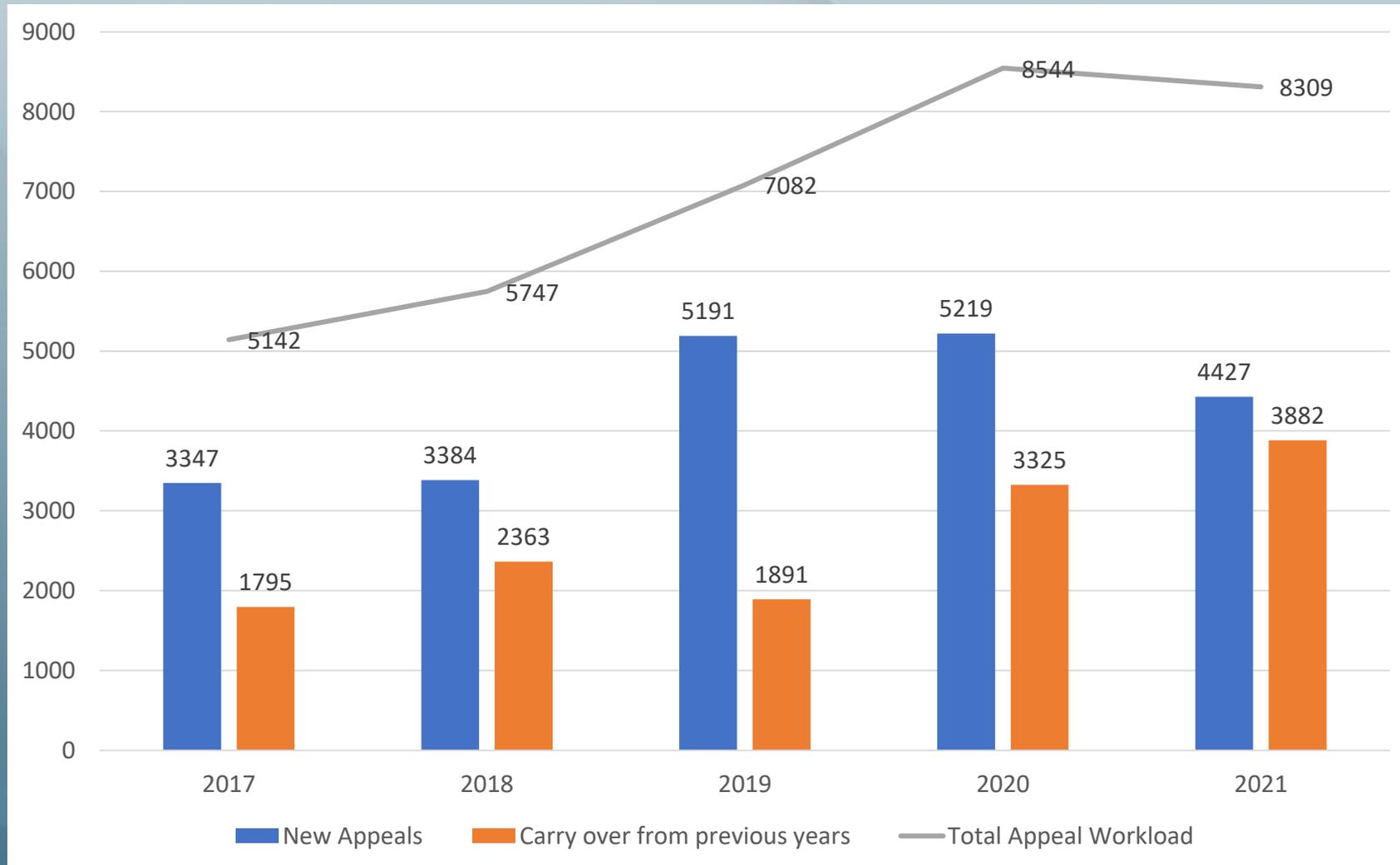


Volume of New Appeals



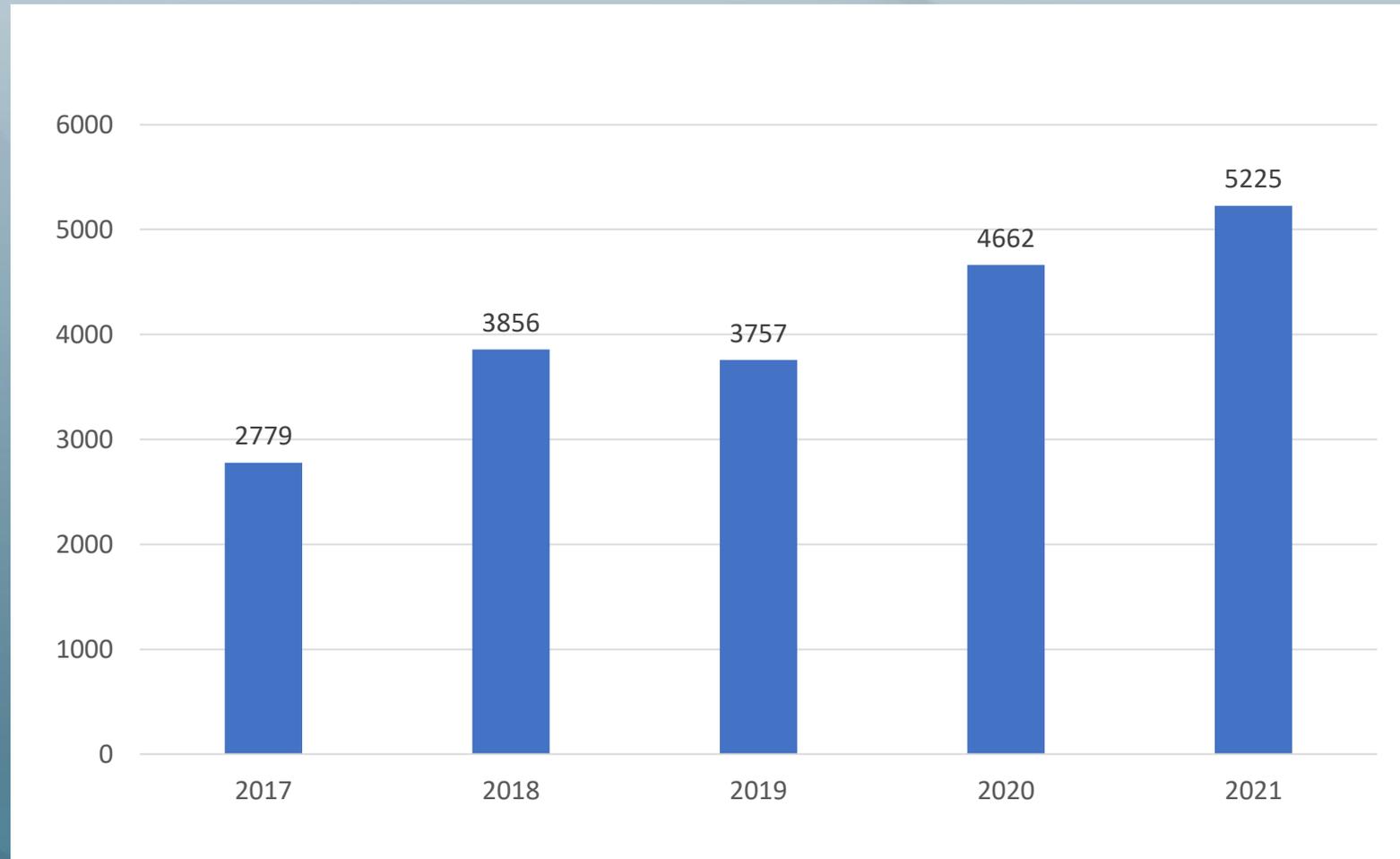


Total Appeal Volume



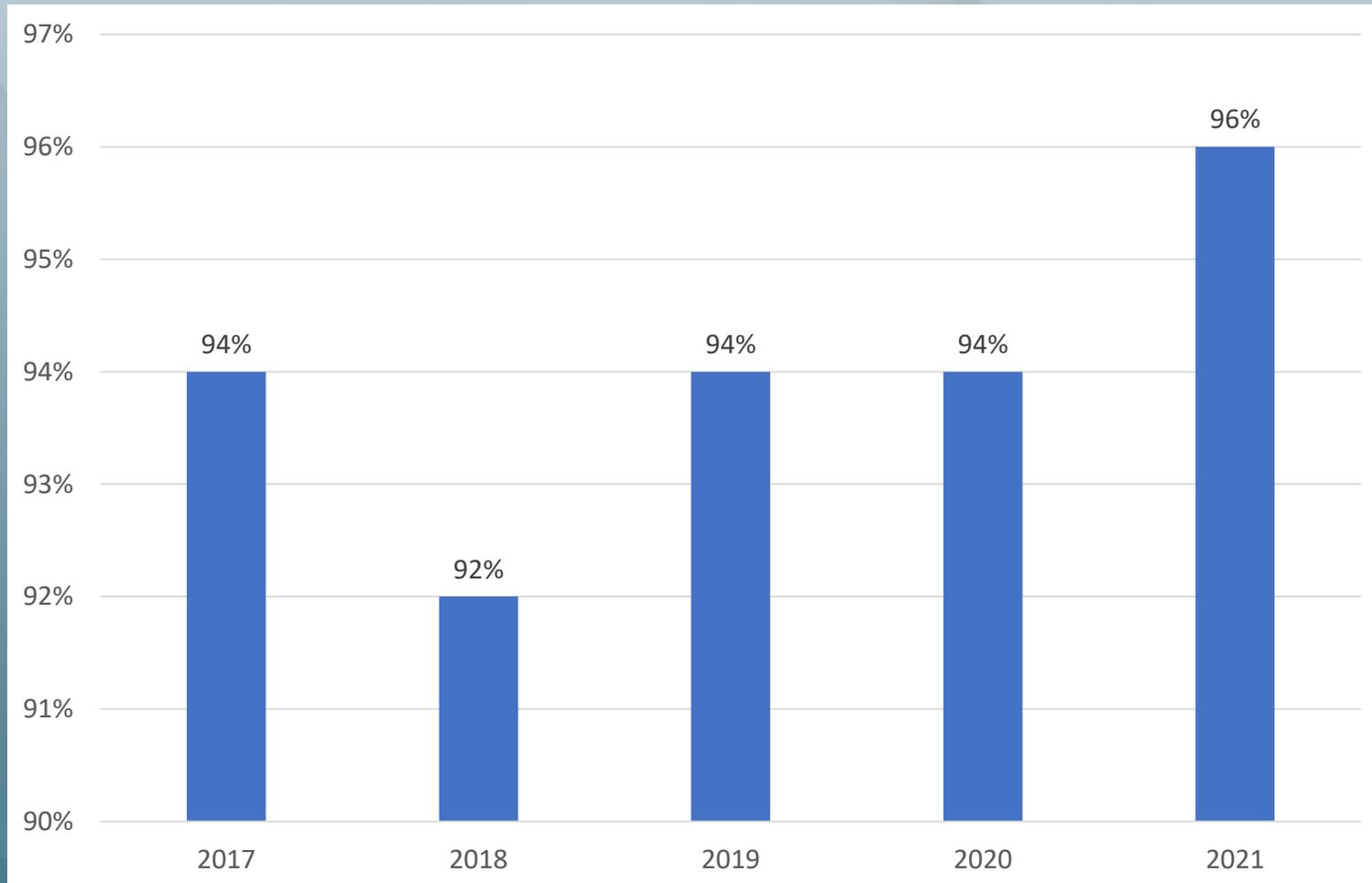


Total Appeal Completions



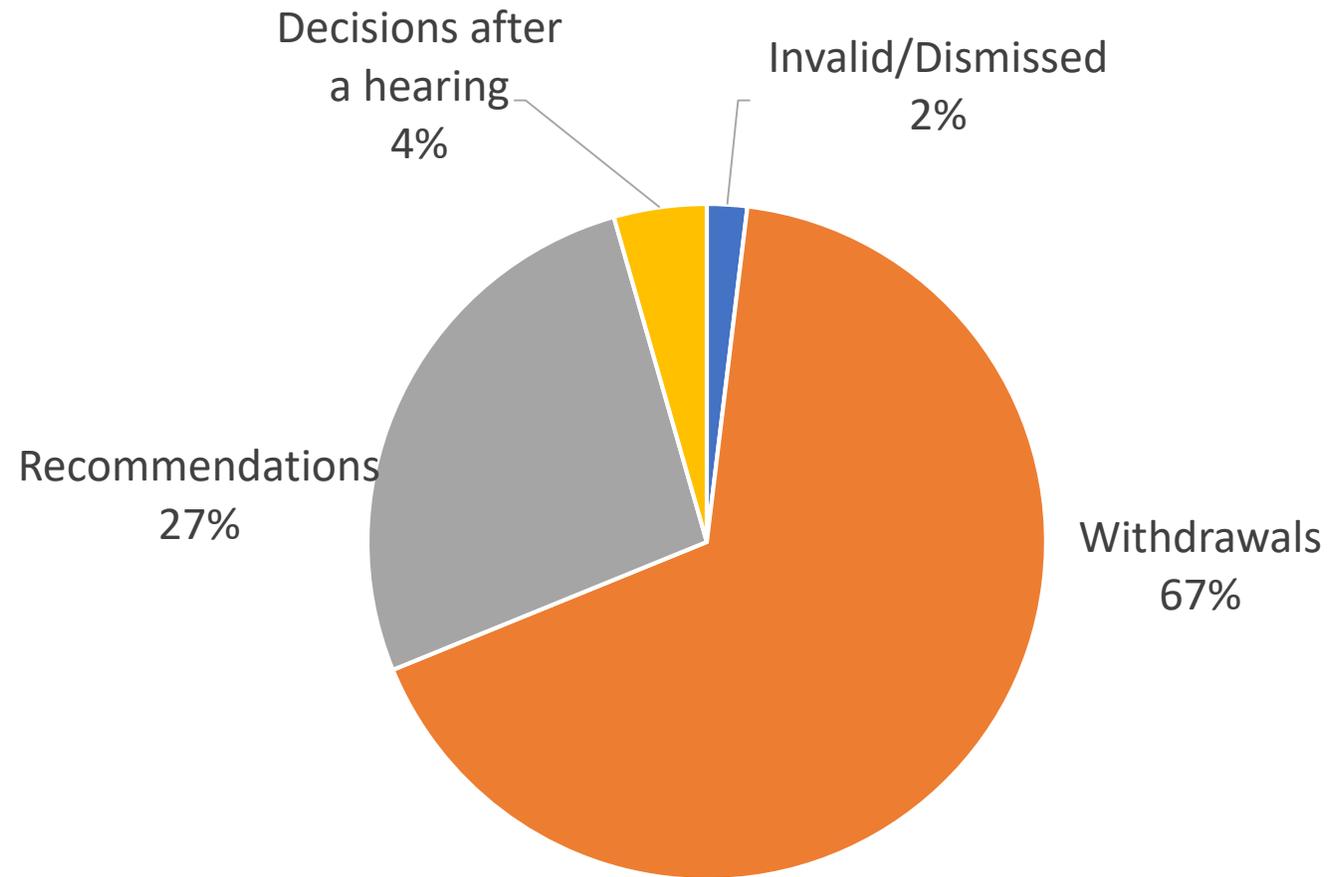


Appeals Resolved Without a Hearing



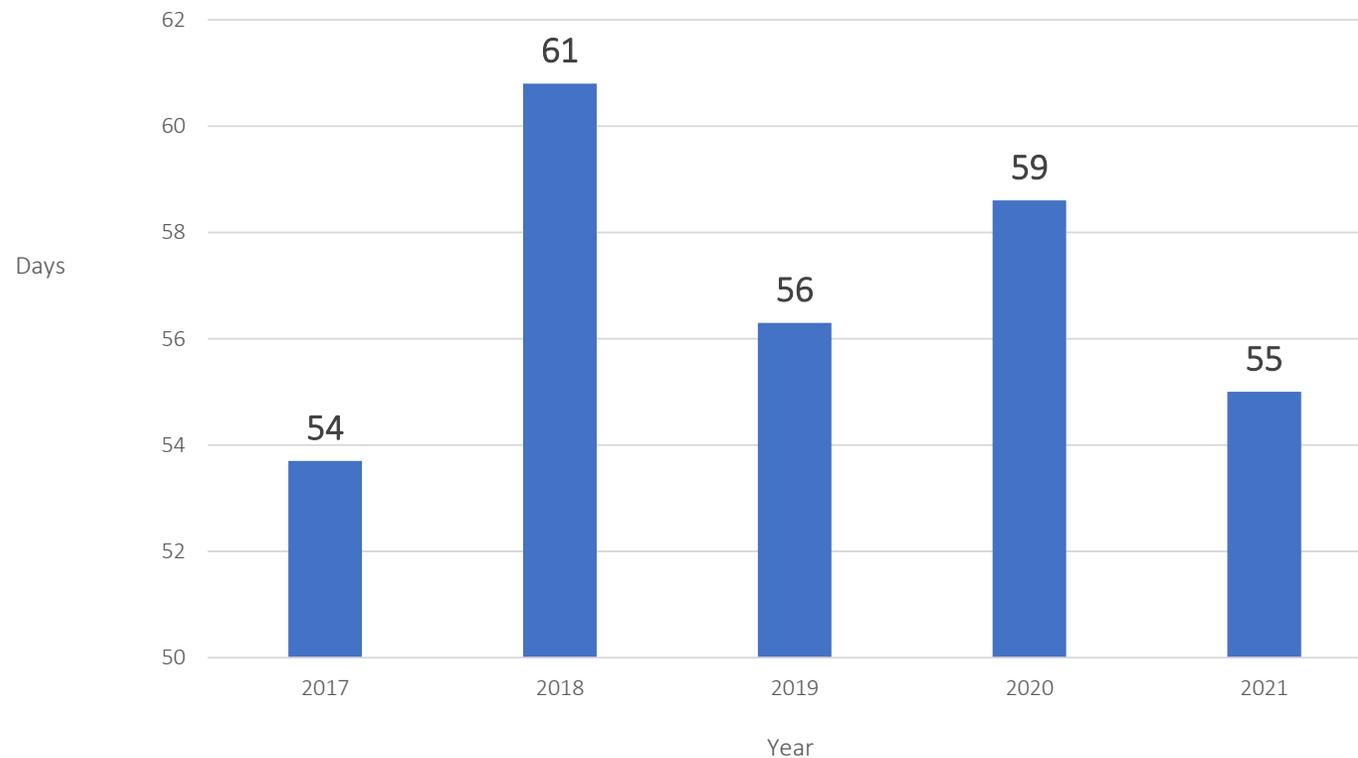


Method of Completion



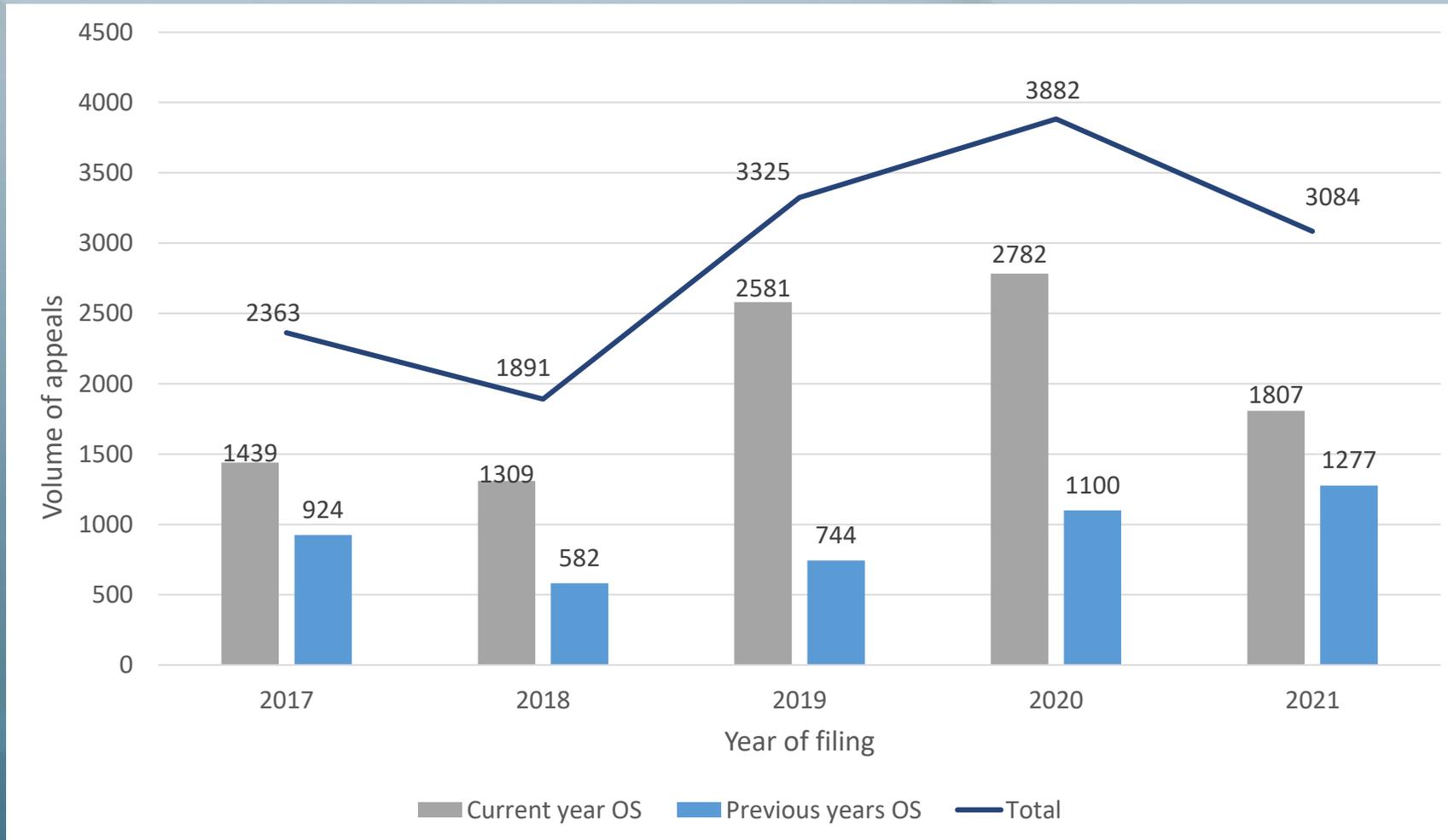


Average Number of Days from Hearing to Decision





Status of Outstanding Appeals (Current year Vs. Previous years)





Status of Outstanding Appeals

Year	Total Outstanding Appeals - Prior Years	Pending Board/Court Decision - Prior Years	Total Outstanding Vs. Pending Decision
2021	1,277	871	68%
2020	1,100	565	51%
2019	744	266	36%

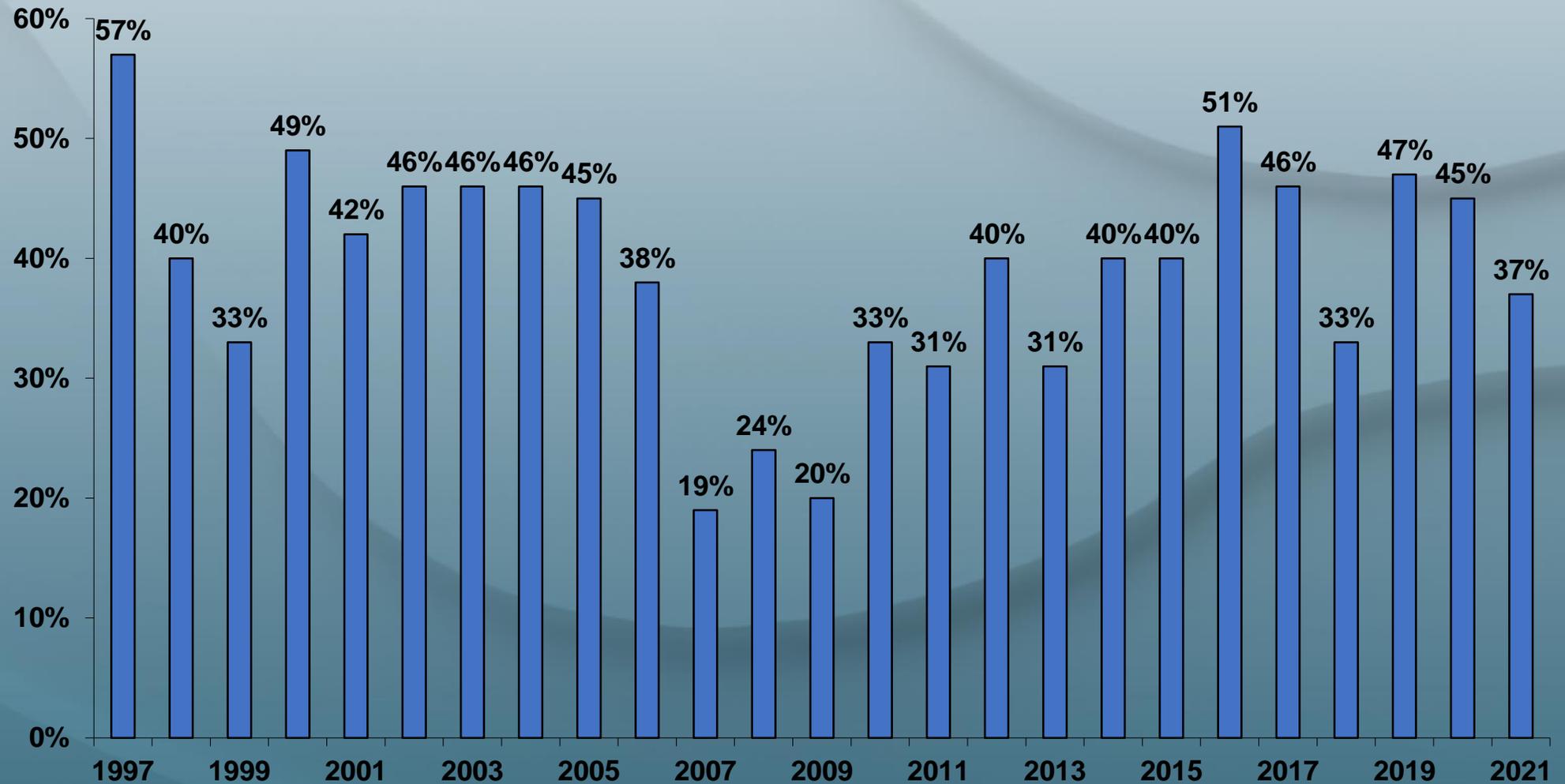


Status of Outstanding Appeals (pre 2020)

Awaiting other decisions	1,271	96%
Contingent	1,091	
Stated Case	23	
Active appeals	50	4%
Appeal Management	8	
Hearing Scheduled	42	



Percentage of Outstanding Appeals - Historic





Cost per Completed Appeal (2010 \$)





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Summary & Questions