



BC ASSESSMENT

**2021/22 – 2023/24
Service Plan**

April 2021



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Board Chair's Accountability Statement



The 2021/22 – 2023/24 BC Assessment Service Plan was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act*. The plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of the plan, including what has been included in the plan and how it has been reported. The Board is responsible for the validity and reliability of the information included in the plan.

All significant assumptions, policy decisions, events and identified risks, as of March 31, 2021 have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, BC Assessment's mandate and goals, and focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of BC Assessment's operating environment, forecast conditions, risk assessment and past performance.

A handwritten signature in blue ink that reads "SBishop".

Sylvia Bishop
Board Chair

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Strategic Direction and Alignment with Government Priorities

In 2021/22, British Columbians continue to face significant challenges as a result of the global COVID-19 pandemic. Recovering from the pandemic will require focused direction, strong alignment and ongoing engagement between public sector organizations and the Government of British Columbia. The government has identified five foundational principles that will inform each Crown agency's policies and programs and contribute to COVID recovery: putting people first, lasting and meaningful reconciliation, equity and anti-racism, a better future through fighting climate change and meeting our greenhouse gas commitments, and a strong, sustainable economy that works for everyone.

The *Assessment Act* mandates BC Assessment to establish and maintain real property assessments that are uniform in the whole of British Columbia. BC Assessment produces an annual assessment roll that contains fair, equitable, and independent property assessments for over two million properties in the province. These assessments play a vital role for local governments, with property tax generating more than \$8.6 billion annually to support community services such as schools, libraries, emergency services, infrastructure, parks and recreation, and roads. BC Assessment also works with Indigenous communities in exercising their jurisdiction over real property taxation, which helps to establish a stable tax base to support their local communities.

BC Assessment remains focused on delivering its assessment mandate while maintaining valued relationships and reliable service delivery with the Province, local governments, Indigenous communities and property owner customer groups. The next three years will see continued support for provincial government priorities and policy development through the use of BC Assessment expertise, data and property information, and pursuit of the direction contained in the [2021 Mandate Letter](#).

Operating Environment

Real estate market movement in B.C. in recent years has influenced both the quantity and type of work required for BC Assessment to continue fulfilling its mandate and providing core services. Development of new properties, volume of real estate transactions, and changes in market values impact the number of properties requiring valuation, the magnitude of changes in assessed values, and the level of public response to the Assessment Roll. These factors, along with operational adjustments for data collection and virtual service delivery in response to COVID-19, need to be accounted for to support completeness, accuracy and equity in the Assessment Roll.

BC Assessment's Market Activity Response Initiative remains in place to support customers in understanding and responding to the impacts of value changes, while work continues on enhancing access to property information and improving the assessment review and appeal processes.

The replacement of BC Assessment's core assessment technology is anticipated to support improvements to the quality, management and accessibility of data over the duration of this plan.

Adapting to this significant system change, along with the increasing workload created by the addition of approximately 20,000 new properties to the Assessment Roll each year, is a pressure on the capacity of BC Assessment that the organization continues to proactively manage.

To ensure effective use of taxpayer funds while maintaining or improving service delivery and ensuring stability of the provincial property tax system, BC Assessment will continue to pursue organizational partnerships for information and cost sharing, operational optimization, and continuous improvement initiatives.

Performance Planning

BC Assessment values the relationship it has with its new responsible ministry, the Ministry of Finance, and regularly engages with the Province on legislative, regulatory and policy initiatives. BC Assessment will continue to support future projects, as required by the Minister, to deliver its mandate and serve B.C. residents.

BC Assessment is focused on delivering valued services that people count on, and contributing to a strong economy as a dynamic and reliable assessment services provider that supports strong and vibrant communities in B.C.

Goal 1: Trusted Assessments - Leaders in the delivery of a high quality, accurate assessment roll

Objective 1.1: Produce accurate and uniform assessments

In its drive to improve the quality of the assessment roll, BC Assessment is introducing new roll quality measures.

The strata residential measures are being added to reflect that this group represents nearly 25% of the total number of provincial folios, which highlights the importance to property owner customers of measuring the accuracy and uniformity of this growing property group.

A new coefficient of dispersion measure is included for non-residential properties, which is a good measure of uniformity for this property group. The measure has been monitored internally for years, and is being introduced to enhance transparency.

Another measure being added is the price related bias coefficient. This measure verifies that low- and high-valued properties are being assessed equitably in relation to each other.

Key Strategies

- Invest in tools and technologies that improve data collection and analysis
- Configure, implement and leverage a modern core mass appraisal system for delivery of assessment services

Performance Measures	2020 Actual ¹	2021/22 Target	2022/23 Target	2023/24 Target
1.1a Assessment to Sales Ratio				
- Residential	97.9%	97–100%	97–100%	97–100%
- Strata Residential	n/a ²	97–100%	97–100%	97–100%
- Non-residential	95.1%	95–100%	95–100%	95–100%
1.1b Coefficient of Dispersion				
- Residential Urban	7.0%	5.0–10.0%	5.0–10.0%	5.0–10.0%
- Strata Residential Urban	n/a ²	5.0–15.0%	5.0–15.0%	5.0–15.0%
- Residential Rural	11.5%	5.0–15.0%	5.0–15.0%	5.0–15.0%
- Strata Residential Rural	n/a ²	5.0–15.0%	5.0–15.0%	5.0–15.0%
- Non-residential	n/a ²	5.0–15.0%	5.0–15.0%	5.0–15.0%
1.1c Price Related Bias				
- Residential	n/a ²	-5.0–5.0%	-5.0–5.0%	-5.0–5.0%
- Strata Residential	n/a ²	-5.0–5.0%	-5.0–5.0%	-5.0–5.0%
- Non-residential	n/a ²	-5.0–5.0%	-5.0–5.0%	-5.0–5.0%

Data source: Internal property information database.

¹Calculated based on the 2021 Completed Assessment Roll, created in 2020.

²New for 2021/22.

Linking Performance Measure to Objective

1.1a The median Assessment to Sales Ratio (ASR) is a common roll quality measure used by the International Association of Assessing Officers (IAAO). The median ASR measures how closely assessments mirror a property’s actual selling price, tracking assessment accuracy in a market-based property assessment system.

1.1b The Coefficient of Dispersion (COD) measures the quality of assessments by calculating the dispersion, or spread, of all the ASRs around the median ASR. The COD is a measure of appraisal uniformity. A more accurate portfolio of assessments would be indicated by a lower COD percentage. BC Assessment measures the COD for properties located in both urban and rural areas, according to internationally recognized standards.

1.1c The Price Related Bias (PRB) coefficient is new for this Service Plan. This measure shows whether the assessment-to-sales price ratios are systematically higher, lower or steady as property values increase.

Discussion

An individual ASR is calculated for a single property by dividing the assessed value of a recently sold property by its selling price and expressing the result as a percentage. This shows how accurately BC Assessment assesses a property at market value. The IAAO has set a standard for a median ASR of 90–110 per cent. BC Assessment has set targets of 97–100 per cent for residential properties and 95–100 per cent for non-residential properties.

The COD is calculated by adding the differences between each ASR in the group and the median ASR, and determining the average difference. BC Assessment has set targets for the COD based

on IAAO standards for single-family residential properties, at a 5–10 per cent range for homogeneous (urban) regions and a 5–15 per cent range for heterogeneous (rural) regions.

The PRB measures the percentage relationship between property values and assessment ratios, and indicates by what percentage assessment levels change whenever property values are doubled (or halved), ensuring that both low- and high-valued properties are being assessed equitably. Negative values indicates regressivity, while positive values indicate progressivity. Assessments are regressive if high-value properties are under-appraised relative to low-value properties, and progressive if high value properties are over-appraised. A good quality assessment roll should show no sign of either regressive or progressive assessments, because these value inequities lead to inequitable tax burdens.

The 2020 results presented in this plan show calculations using the 2021 Completed Roll. The 2020 Actual results to be reported in the 2020 Annual Service Plan Report may differ slightly, as they will be based on the 2021 Revised Roll, which reflects the final assessments following any appeal revisions made in early 2021. BC Assessment has kept future targets constant for these performance measures, as the targets align to international standards.

As part of BC Assessment’s ongoing effort to improve roll quality measures, methods to better use its property data and the skills of its valuation professionals are continuously examined. Intended outcomes continue to be fair distribution of property taxes and accurate representation of roll quality across the province, while accounting for uncontrollable factors like market movement. Thus, while continuing to meet IAAO roll quality standards, BC Assessment may refine the performance measures contained in future service plans.

Objective 1.2: Deliver reliable and accepted assessment rolls

Key Strategies

- Pursue assessment quality management and data maintenance initiatives that increase the accuracy and improve the fairness of the assessment roll
- Collaborate with stakeholders to improve assessment review and appeal processes

Performance Measures	2020 Forecast	2021/22 Target	2022/23 Target	2023/24 Target
1.2a Assessment roll stability – change in taxes collected	≤ 0.22%	≤ 0.22%	≤ 0.22%	≤ 0.22%
1.2b Percentage of assessments accepted without appeal	≥ 98.0%	≥ 98.0%	≥ 98.0%	≥ 98.0%

Data source: Internal property information database

Linking Performance Measure to Objective

1.2a Roll stability is a critical issue for local governments, which rely largely on property taxes to fund services for their residents. The assessment roll stability measure tracks changes in taxes collected or refunded by the taxing jurisdictions. Minimal changes indicate a stable, dependable assessment roll. This performance measure is accepted among taxing jurisdictions as a good measure of the stability of the assessment roll.

1.2b BC Assessment interprets consistently high acceptance of assessments by residential, commercial and major industry customer groups as a general validation of the overall quality, accuracy and uniformity of assessments. Property owners who do not agree with the estimate of their property's assessed value or exemption status, or who believe that their property was improperly classified, can challenge the assessment.

Discussion

In any given year, property status can change, data errors are corrected, and new properties may be developed while others are demolished. The annual assessment roll may also be subject to supplementary changes made after an appeal to the [Property Assessment Appeal Board](#) (PAAB).

Performance measure 1.2a estimates the change in the amount of taxes collected or refunded by taxing jurisdictions based on the change in general taxable value for a period of 20 months after the Revised Roll. Therefore, the 2020 Actual measures 2019 Assessment Roll stability by estimating the changes in taxes collected as a result of supplementary rolls issued between May 1, 2019, and December 31, 2020. The targets were determined based on analysis of historical data for taxes collected or refunded.

For 1.2b, property owners are encouraged to contact BC Assessment following the receipt of their assessment notices in January of each year if they have concerns or questions. For unresolved issues, customers can register a complaint with BC Assessment by January 31 and request a formal hearing by an independent [Property Assessment Review Panel](#) (PARP). A Notice of Hearing is then issued and a meeting with the PARP scheduled for the property owner. Following the hearing, and prior to April 7 each year, BC Assessment is required to send a Notice of Decision to the property owner indicating what the panel's decision was and whether the complaint was successful or unsuccessful. Data quality is maintained through internal controls, including a review and audit of the complaint data and comparison with historical trends and current market movement to ensure the data's accuracy.

The actual 2020 results (for the 2021 Assessment Roll) will not be available until April 2021, and thus are not provided in this service plan. As data quality and accessibility have improved, the number of formal complaints has been low and usually filed by fewer than two per cent of all property owners. BC Assessment has kept the target constant as it represents a balance between delivering a quality assessment roll while managing available resources.

Objective 1.3: Maintain efficient and financially responsible operations

Key Strategies

- Find a balance to deliver assessments today while investing to improve services in the future
- Implement continuous business process and system improvements to enhance operational efficiency
- Accrue necessary financial resources to invest in tools and technology

Performance Measure(s)	2019 Baseline	2020 Forecast	2021/22 Target ²	2022/23 Target	2023/24 Target
1.3 Average net cost per property for assessment services ¹	\$45.77	\$45.39	\$47.97	\$48.30	\$48.50

Data source: Internal property information database and approved financial plans

¹Estimates for tax levy rate increases have not been included in the 2021/22 through 2023/24 figures.

²BCA has changed to a March 31 fiscal year end effective immediately after the end of the December 31, 2020 calendar year. The 2021/22 year will reflect a transitional 15 month fiscal period starting January 1, 2021 and ending March 31, 2022. For comparative purposes, the cost per property target for the 2021/22 year has been calculated to reflect a 12-month period.

Linking Performance Measure to Objective

This performance measure reflects BC Assessment’s commitment to keeping costs to the taxpayer as low as possible while delivering the services that customers count on. Efficiency and cost-effectiveness are required to minimize any potential increase to levies while meeting service demands in a complex assessment environment.

Discussion

BC Assessment’s primary source of revenue to support its ongoing operational work, service improvements and technology investments is a levy collected on each taxable property in B.C. This levy is a component of the property taxes paid by property owners to the taxing jurisdictions, which in turn remit the levy amount collected to BC Assessment. Cost per property target adjustments are made each year as new information becomes available and forecasts are refined. Targets for 2021/22 to 2023/24 take into consideration projected new construction and development, and key assumptions regarding changes in revenues and expenditures. BC Assessment maintains appropriate internal controls and will continue reporting regularly to the Board of Directors and to the Office of the Comptroller General.

Goal 2: Valued by Customers and Partners - Our property assessment information is valued and relied upon

Objective 2.1: Ensure satisfied customers

Key Strategies

- Create insights into all customer segments to provide relevant assessment information and services
- Educate and engage stakeholder groups to evolve processes and ensure value in interactions

Performance Measures	2020 Forecast	2021/22 Target	2022/23 Target	2023/24 Target
2.1 Customer Satisfaction Index – Employee Interaction				
- Property Owners	78 ¹	73 to 85	73 to 85	73 to 85
- Taxing Authorities	≥ 86	Biennial survey	≥ 86	Biennial survey

Data source: BC Assessment has a contract with a market research firm to act as an independent third party to conduct the customer satisfaction surveys. The index figure is relative to 100.

¹Actual result.

Linking Performance Measure to Objective

BC Assessment regularly reviews customer feedback to identify areas for enhanced customer experience. The approach uses e-mail surveying of customers, with questions designed to evaluate customer interactions with BC Assessment. The results are analyzed to determine what specific service attributes are important to customers, and to indicate the quality of service that customers perceive they are receiving. Customers prefer to find answers to their own questions; accordingly, accessibility of information and user control over experience are being enhanced on BC Assessment’s website.

Discussion

The Employee Interaction Index is based on a series of questions that enable BC Assessment to track performance and plan for needed improvements. Customers are asked to indicate level of agreement or disagreement with statements; for example: “BC Assessment employees are knowledgeable”, or “the response from BC Assessment provided you with all the information you needed.” The more strongly a respondent agrees, the higher the index score will be.

The index figure itself is relative to 100. A perfect score of 100 means that each customer gave top marks on all index attributes. BC Assessment’s target range of 73 to 85 for property owners, and ≥ 86 for taxing authorities, requires provision of high-quality customer service.

The index for property owners is comprised of the combined results for residential and non-residential property owners. The index for taxing authorities is comprised of the combined results for local governments and Indigenous communities. Property owners are surveyed annually while taxing authorities are on a biennial survey program, at their request.

Supplementing the survey, BC Assessment continues to analyze interactions to increase understanding of customer needs and to improve processes. BC Assessment also delivers educational information that supports general understanding of property valuation, the real estate market, and the relationship between property assessments and property taxes.

Objective 2.2: Improve access to assessment information

Key Strategies

- Improve availability and utility of assessment information through a flexible digital service model
- Encourage use of assessment information and expertise to assist with real estate queries and policy decisions

Performance Measures	2020 Forecast	2021/22 Target	2022/23 Target	2023/24 Target
2.2 Customer Satisfaction Indices				
- Property Owners – Digital Information	65 ¹	≥ 65	≥ 65	≥ 65
- Taxing Authorities – Information, Services & Tools	≥ 73	Biennial survey	≥ 73	Biennial survey

Data source: BC Assessment contracts a market research firm to act as an independent third party to conduct the customer satisfaction surveys. The index figure is relative to 100.

¹Actual result.

Linking Performance Measure to Objective

Customer satisfaction with the information that BC Assessment provides is measured using the same survey methodology that is used to evaluate customer satisfaction with employee interaction (Performance Measure 2.1).

Customers are surveyed about specific attributes that qualitative research with customers has identified as being important. Responses to the survey questions are analyzed and provide input to the overall Customer Satisfaction Indices.

Discussion

BC Assessment’s strategic direction includes improving access to assessment information through a flexible digital service model. The Digital Information and Information, Services, and Tools indices measure organizational performance in support of this objective. The indices themselves are relative to 100; a perfect score of 100 means that customers gave top marks on all of the index attributes. Investment in programs that improve digital information availability and usability for our customers is paramount to improving this index score.

BC Assessment is continually enhancing the number and depth of its assessment products, information and services to meet or exceed our customers’ expectations. Specifically, annual website enhancements provide greater functionality for access to and analysis of information to support assessment, taxation, and real estate decisions.

Goal 3: High-Performing Team - Our people realize our vision by collaboratively creating innovative solutions

Objective 3.1: Support employee engagement

The objective reflects the shared ownership of engagement between employees and the employer. BC Assessment continues to monitor employee engagement as a performance measure for ongoing insight and response.

Key Strategies

- Implement modern practices and technology that support engagement, collaboration and flexible work options
- Define the future workforce and invest in the professional development of highly skilled people

• Performance Measure(s)	2019 Baseline	2020 Forecast	2021/22 Target	2022/23 Target	2023/24 Target
3.1 Level of Employee Engagement	65	Biennial survey	67	Biennial survey	Previous result +2

Data source: BC Assessment contracts an independent third party to conduct the employee engagement surveys.

Linking Performance Measure to Objective

This performance measure is tracked through a biennial employee engagement survey that gauges employee perceptions on motivation, work capacity and capability, leadership, and alignment with the organization’s vision, mission and goals. The result is an average score (not a percentage) that expresses all responses to a series of survey questions.

Discussion

The survey is conducted by an independent organization, and only those results with a confidence level of at least 95 per cent are reported. A biennial survey schedule allows for sufficient time to analyze previous results and effect improvements. Targets have been set at “previous result + 2” to reflect both the previous score and the desired level of continuous improvement in employee engagement. An engagement survey is planned for 2021, which will provide refreshed information to develop and implement work unit engagement action plans.

Financial Plan

Financial Summary

(\$000)	2020 Forecast	2021 Budget ¹	2021/22 Budget ¹	2022/23 Plan	2023/24 Plan
Total Revenue					
Tax levies ³	99,476	100,930	126,227	102,430	103,830
Other revenue	6,135	6,135	7,887	6,077	6,021
Total Revenue	105,611	107,065	134,114	108,507	109,851
Total Expenses					
Employee expenses	69,226	68,536	85,808	67,820	66,437
Other operating expenses	27,801	31,989	39,720	32,095	34,528
Amortization	3,361	6,540	8,586	8,592	8,886
Total Expenses	100,388	107,065	134,114	108,507	109,851
Annual Surplus (Deficit)	5,223	0	0	0	0
Total Liabilities	24,566	15,302	15,302	14,859	14,859
Accumulated Surplus (Deficit) [even if zero]	52,682	52,030	52,682	52,682	52,682
Capital Expenditures	13,007	11,627	12,194	5,860	6,855

Note: Financial information for all years was prepared based on Public Sector Accounting Standards (PSAS).

¹ To align with the Government fiscal year, BCA has changed to a March 31 fiscal year end effective immediately after the end of the December 31, 2020 calendar year. Figures for 2021/22 reflect a transitional 15 month fiscal period starting January 1, 2021 and ending March 31, 2022.

² Estimates for tax levy rate increases have not been included in the 2021/22–2023/24 figures.

Key Forecast Assumptions, Risks and Sensitivities

Estimates for levy rate and unconfirmed future cost increases have not been included in the Financial Outlook. Annual increase in revenue is mostly related to the projected increase in the number of properties from new development. Operating expenditures include increases for known contractual and inflationary pressures, changes in cost structures, and offsets for planned operational efficiencies.

Key risks and uncertainties affecting BC Assessment's financial outlook include: ability to increase levy rates to cover uncontrollable cost changes, ability to maintain data access revenues, changes in future Property Assessment Review Panel and Property Assessment Appeal Board processes and costs; wage and benefit increases; and changes in interest and inflation rates.

Management's Perspective on the Financial Outlook

BC Assessment does not receive grants or government transfers for operating, capital, and working capital purposes. The primary source of revenue is a tax levy collected from each taxable property, which is budgeted to provide approximately \$100.9 million in 2021 calculated using 2020 rates. Levy rates require annual approval by Provincial Cabinet and BC Assessment's Board of Directors. In addition, BC Assessment receives approximately 6.0 per cent of its revenue from a number of other sources, including property assessment service contracts with Indigenous communities, payments in lieu of taxes and data access services.

The tax levy is a component of the property taxes paid by property owners to the taxing jurisdictions, which in turn remit the tax levy collected to BC Assessment. BC Assessment collects its revenues from taxing authorities in July of each year. BC Assessment borrows funds from the provincial government to finance operations and capital expenditures during the first half of the year and repays its debt in full by August of each year.

BC Assessment manages the increasing financial pressures resulting from employee costs, folio growth, continuous improvement of customer service levels and inflationary pressures in part by leveraging technology to enable optimization of assessment methods and innovation in business processes to drive operational efficiency.

In 2016, BC Assessment received Treasury Board approval to replace its core property assessment system. The new system is expected to go live in 2021 and will allow development and implementation of digital capabilities for customer interactions, property data access and information exchange, and business process efficiencies.

BC Assessment will continue to respond to real estate market movement, and to monitor the effort required to manage appeal rates and maintain property owner confidence in the property assessments that form the foundation of the provincial property taxation system.

Capital Expenditures

Significant IT Projects (over \$20 million in total)	Targeted Year of Completion ¹	Project Cost to Dec 31, 2020 (\$m)	Estimated Cost to Complete (\$m)	Approved Anticipated Total Cost (\$m)
nextGen valueBC	2021	\$25.1	\$2.6	\$27.7
Implement a replacement solution for BC Assessment's aging core assessment business system.				

¹ Decision to implement and go-live in 2021 will not be known until May 2021.

Appendix A: Additional Information

Corporate Governance

BC Assessment is governed by a Board of Directors that is accountable to the Minister of Finance for the implementation of Provincial government direction. The Board's direction is implemented by management, who carry out the day-to-day operations of the corporation under supervision of the President and Chief Executive Officer.

For more information on BC Assessment's Board of Directors, please refer to the web page at <https://bcassessment.ca/About-Us/how-bc-assessment-works/Board-of-Directors>.

For more information on BC Assessment's Executive Management Team, please refer to the web page at <https://bcassessment.ca/About-Us/how-bc-assessment-works/executive-management-team>.

Organizational Overview

To learn more about how BC Assessment is structured to deliver its work, please refer to the web page at <http://bcassessment.ca/About-Us/about-BC-Assessment>.

Property Assessment Review Panel

<https://www2.gov.bc.ca/gov/content/housing-tenancy/owning-a-home/property-assessment-review-panels2/property-assessment-review-panels>

Property Assessment Appeal Board

<http://www.assessmentappeal.bc.ca/>