

THE OPEN HOUSE

Your Window to REBGV Government Relations

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PROPERTY TAXES SPECIAL EDITION

Helping your clients understand property taxes



Sylvia Sam
Chair, Government
Relations Committee

It's property tax time and property owners across the Lower Mainland will have received their annual tax notices by mail this month.

Every year, the Government Relations department produces a special insert so members can provide information about one of the most complex parts of being a home owner. Take advantage

of this opportunity to enhance your skill set so you can help your clients understand this aspect of property ownership.

As you read through this year's insert, remember that programs like the Home Owner Grant and the BC Property Tax Deferment have specific eligibility requirements. Don't make promises to your clients as there is a chance they may not be eligible.

Here are six common concerns I hear from my clients during property tax time:

What is property tax? Property taxes are typically calculated by dividing the annual budget needs of a municipality by total assessed property values as determined by BC Assessment. In rural areas, the province assigns the tax rate. These rates vary among property classes: residential, business, light and heavy industry, farm, recreation, utility and managed forest land. **The assessed value of each property is determined annually by BC Assessment, as of the previous July 1.**

How do I find out what my property taxes are and if there are any taxes owing? The MLS® system should have current tax information for the property in question. In order to verify this information and to find out if there are taxes owing, your client can obtain a tax certificate from the tax office in the finance department of their municipality. Normally a

lawyer handles this step, but home buyers can purchase a tax certificate in person, by telephone or by email. The availability and fee structures for these services vary from municipality to municipality. For more information, contact your local tax office.

Can I appeal my taxes? No. Your clients can, however, appeal their assessment; and to do so, they'll need to report any concerns with their assessment notice to BC Assessment by January 31. It will be too late to appeal the assessment by the time tax notices come out, so they'll have to wait until the following year.

Does my market value decrease if I'm appealing my assessment? I've had clients who are afraid to request an adjustment because they think that it will negatively affect the market value of their home. Explain that market value may not have a direct correlation to assessed value and that a REALTOR® will help them get fair market value when they sell their home.

How do I report a change in status? Home owners aged 65 and over, veterans and disabled home owners may be eligible for additional benefits under the Home Owner Grant program. If your client's circumstances have recently changed, they should get in contact with the tax office in the finance department at their local city hall.

If seniors sell to younger buyers, is there a tax difference? Home Owner Grants run with the owner, not with the property. Buyers may not be eligible for the additional grant the current owner receives under the Home Owner Grant program and should check for their own eligibility.

As REALTORS®, it is our responsibility to provide this information to our clients.

As always, I welcome your questions and comments. Please email me at GRChair@rebgv.org