Private Water Utility Properties Policy

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Purpose

This Assessment Policy ensures that BC Assessment (BCA) consistently assesses, values, and classifies private water utilities not owned by a local government or public agency.

Policy Statements

1. Land and improvements of a private water utility must be assessed according to Private Water Utility Assessability Requirements.

2. Land and improvements of a private water utility must be valued according to the Private Water Utility Valuation Requirements.

3. Private water utilities must be classified according to Private Water Utility Classification Requirements.

Private Water Utilities Requirements

Private Water Utility Assessability Requirements

1. Where the improvements of a private water utility are located on land owned by the utility, both land and improvements must be assessed to the water utility.

2. Where the improvements of a private water utility run in a highway, the improvements must be assessed to the water utility.

3. Where the improvements of a private water utility are located in a bare land strata titled development, both land and improvements must be assessed as part of the value of common property attributed to each strata lot.

4. Where pipes carrying water from a private water utility are located on private land owned by a water utility customer (e.g., serviced residential property), the value of the pipes must not be assessed separately as it is included in the value of the serviced lot (so Supportive Housing Properties (Class 03) Policy double assessing).

5. Only buildings, fixtures, and structures meeting the definition of improvements in the *Assessment Act* s. 1(1) and 1(2) must be assessed.

Private Water Utility Valuation Requirements

1. For valuation purposes, the present use of land used solely for water utility improvements must be considered to be its highest and best use (HBU).

2. The land value for a private water utility must consider any restriction on use and limited marketability, if applicable.

3. Where a private water utility does not charge a fee for service, or the fee is nominal, the land and assessable improvements not already captured in the land value must be valued at one dollar each (i.e., $1 for land and $1 per improvement).

4. Where a private water utility collects a fee for service (i.e., operates as a going concern) the land and assessable improvements not already captured in the land value must be valued based on their value in the marketplace (at market value) using a cost approach.

Note:	Although the lot owner may not technically own all portions of the water pipes, utility hook-ups such as water, telephone, hydro, sewer and so forth are commonly included in the market value of a serviced lot.

Private Water Utility Classification Requirements

1. Land and improvements of a private water utility that operates on a fee for service basis must be Class 02 – Utilities, except office or administration buildings, which must be Class 06 – Business and Other.

2. Where the private water utility is not run as a business but owned by the residents of a subdivision for their use, it must be classified the same as the properties it serves (i.e., Class 01 – Residential for residential properties).

Resources

Definitions

- Refer to the BC Assessment Glossary page for term definitions.

Related Policies

- Highest and Best Use Policy
- Industrial, Commercial and Investment (ICI) Land Policy
- Mixed-Use Development Land Policy
- Strata Corporation Common Assets Policy
- Strata ICI Properties Policy

References

- *Assessment Act* sec. 1(1), 1(2), 18(1)
- BC Gov – Private Water Utilities
- BC Gov - Water Licensing & Rights
- *Utilities Commission Act*
- *Water Sustainability Act*
- *Water Users' Communities Act*
- *Water Utility Act*