

Report on Bay Ward Public Meeting on Property Assessment Reform

(held Thursday Nov. 20, 2008, 7 pm, at the Ron Kolbus-Lakeside Centre)

Bay Ward Councillor Alex Cullen sponsored a public meeting on property assessment reform on Thursday November 20, 2008, at 7 pm, at the Ron Kolbus Lakeside Centre. Some 100 people attended.

Ken Hughes, from the City of Ottawa's Revenue Branch, provided a presentation on the impact of this current re-assessment on the City of Ottawa (PowerPoint presentation available on request). Mr. Hughes noted that, as a result of the re-assessment, the average overall increase in property values in Ottawa for January 1 2008 (the re-assessment date) from January 2005, for all properties (commercial, industrial, multi-residential, residential farm, and "other"), was 15.84%. Of the City's 24 wards, most saw property increases close to or slightly lower than this average, only the 4 downtown wards (Somerset, Kitchissippi, Rideau-Rockcliffe, Rideau-Vanier) and 3 rural wards (Osgoode, Rideau-Goulbourn, West Carleton-March) saw on average assessment increases above the City average, which would lead to higher property taxes for these properties as a result. Of the City's 240,000 residential properties, over one-third (90,000 homes) would see a property tax increase as a result of assessments higher than the City's average. Mr. Hughes noted that higher assessments that would lead to higher property taxes would be phased-in over 4 years, whereas reductions in property taxes from lower assessments would occur immediately in the tax year. Mr. Hughes noted that the Province's property assessment system provided no revenue to the City, as the City was required to adjust downwards its tax rates to offset the overall average assessment increase, to avoid a windfall gain. Mr. Hughes provided information on how to calculate the impact of the re-assessment on property taxes, using the City's web site (at www.ottawa.ca).

Marcel Clement, from the Municipal Property Assessment Corporation (the provincial agency that conducts property assessment), provided an overview of the Province's property assessment system. Property assessment is based on current market assessment – what a willing buyer would purchase from a willing seller – based on housing sales in the area. Some 200 variables go into MPAC's equation, however, 85% of the calculation of value can be attributed to lot size, housing type, age, and quality of construction. Property assessments will now occur on a 4-year cycle. Mr. Clement provided information on how to contact MPAC on the information provided on the assessment notice, how to access MPAC by phone (via 1-866-296-6722) or on-line (via the MPAC web site at www.mpac.ca), how to ask for a re-consideration, and how to go about appealing property assessment.

Councillor Alex Cullen provided a short PowerPoint presentation (available on request) on the problems with Ontario's current property tax system, on various alternatives to the Province's property assessment system, and on City Council's recent motion calling on the Government of Ontario to conduct a public review of Ontario's property assessment system and possible alternatives, in collaboration with the Association of Municipalities of Ontario (AMO). Councillor Cullen noted that Ontario's property assessment system was based on property values based on market sales, which lacked accountability (*who elected the housing market to set property taxes?*). Councillor Cullen noted that property values had no relationship to either the benefit of the services municipalities provide, nor to the ability of taxpayers to pay these taxes. Councillor Cullen noted that property taxes are a regressive form of taxation and an inadequate means to finance municipal services, suggesting that a municipal income tax would be worth considering as a replacement for the current property tax system. Councillor Cullen encouraged residents to contact their M.P.P.s to discuss these issues with them, and to lobby for a public review Ontario's property assessment system and possible alternatives, in collaboration with the Association of Municipalities of Ontario (AMO).

15 residents took to the microphone to ask questions. Some focused on MPAC methodology in calculating property assessments, while others discussed the merits and demerits of various assessment models. However, it was clear that the vast majority of attendees at this meeting favoured the Government of Ontario conducting a public review of Ontario's property assessment system and possible alternatives, in collaboration with the Association of Municipalities of Ontario (AMO).

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