



MUNICIPAL  
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ASSESSMENT  
CORPORATION

# 2005 Assessment Update Overview

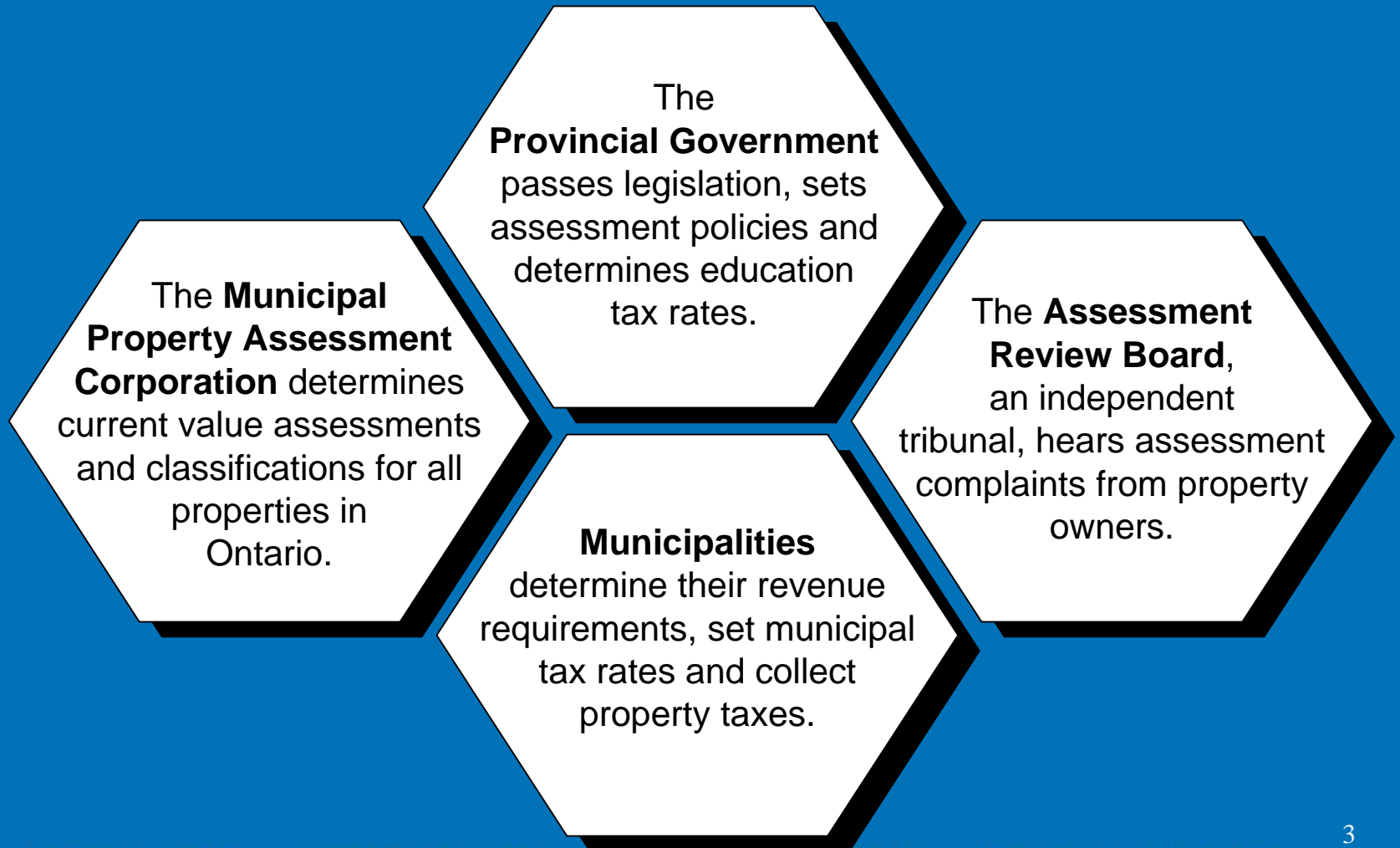
*City of Greater Sudbury  
Priorities Committee Meeting  
September 28, 2005*



# Overview

- **Background**
- **Annual Assessment Process**
  - Current Value Assessment
  - What is Assessable?
- **Assessment Cycle and Important Dates**
  - Assessment Cycle
  - Notice and Roll dates
- **Resolving Assessment Concerns**
  - Request for Reconsideration
  - Assessment Review Board
- **2005 Assessment Update**

# The Ontario Model of Property Assessment





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# Municipal Property Assessment Corporation (MPAC)

- Founded as Ontario Property Assessment Corporation in 1998
- Re-created as Municipal Property Assessment Corporation in August 2001
- Not-for-profit, corporation with a Board appointed by the Province
- MPAC is accountable to its members, Ontario's 440+ municipalities



## Assessment Services

- Annual assessments for over 4.4 million properties
- Preparation and delivery of municipal assessment rolls
- Provide information for capping provisions
  - Commercial, Industrial and Multi-Residential, Bill 140
- Resolves assessment concerns
  - Request for Reconsideration Section 39.1 and Appeals Section 40
- Performs triennial enumeration
- Collect information for:
  - School support
  - French language education rights
  - Voter identification, preliminary list of electors
  - Jury duty lists and population reports



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# Current Value Assessment

Assessment Act directs that all properties are to reflect current value, *...the price a property might reasonably be expected to sell for in its current condition on the open market...*



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# Annual Assessment Process

## What is Assessable?

- Real property as land & improvements (buildings)

## What is Not Assessable?

- Landscaping
- Paved driveways
- Sidewalks
- Chattels



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# Annual Assessment Process

- Data Collection
- Analysis
- Value Application
- Quality Testing
- Value Review





## Data Collection

- MPAC's database contains more than 2 billion elements
- MPAC regularly updates data on file from several sources:
  - Registered land title documents from Land Registry Offices
  - Building permits from local municipalities
  - On-site property inspections
  - Request for Reconsideration Reviews
  - Assessment Review Board decisions
  - Correspondence and discussions with property owners
  - Income and expense data – Commercial, Industrial & Multi-Residential properties
  - Real Estate Boards in some areas



## Analysis

- Under Current Value Assessment, recent sales of similar properties in the area are used to determine the current assessed value of a property.
- MPAC also considers site-related factors that may impact a property's value. Typical adjustments for physical differences include:
  - Lot size
  - Building size
  - Quality of construction
  - Age/Condition
  - Amenities  
*(garage, pools, fireplaces, Central Air Conditioning, extra bathrooms, finished basement, etc.)*

## Value Application

- MPAC uses three approaches for determining assessed values: the sales comparison approach, the cost approach and the income approach

Approach	How current value assessments are determined	Examples of property types
Sales comparison approach	Compares sale prices of similar properties to the property being assessed	Single-family residence Condominium Vacant land
Cost approach	Current value of land + cost of improvements – depreciation = value of property	Manufacturing plant
Income approach	Analyzes future benefits (e.g., income-producing potential)	Hotel Apartment building Office building



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## Quality Testing

- The quality of assessment updates are determined between the relationship of the assessed value and the actual sale value of a property sold in the base year
- This is the Assessment to Sale Ratio or ASR
- The closer the ratio is to 1.00, the more accurate the assessment



## Value Review

- Predicted values are reviewed
- Properties with low or high ASRs are prioritized
- Revisions are made on the basis of local market knowledge & data integrity issues
- Mail out of Assessment Notices
- Mail out of Amended Notices
- Delivery of Assessment Roll



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# ASSESSMENT CYCLE & IMPORTANT DATES



## Assessment Updates

Province-wide Assessment Update	Taxation Year(s)	Valuation Date
✓ 1997	1998, 1999, 2000	June 30, 1996
✓ 2000	2001, 2002	June 30, 1999
✓ 2002	2003	June 30, 2001
✓ 2003	2004, 2005	June 30, 2003
<b>2005</b>	<b>2006</b>	<b>Jan 1, 2005</b>
Annually thereafter		Jan 1



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## Important Dates

### 2005 Property Assessment for the 2006 Taxation Year

Mailing of Property Assessment Notices	October 6, 2005
Mailing of Amended Assessment Notices	December 8, 2005
Delivery of Assessment Rolls	December 13, 2005
Assessment Review Board Notice of Complaint deadline	March 31, 2006
Request for Reconsideration deadline	December 31, 2006





MUNICIPAL PROPERTY ASSESSMENT CORPORATION

**Property Assessment Notice 2005**  
 - for the 2006 tax year

JONES ROBERT (F)  
 JONES BRENDA P1  
 WAY ST N  
 RR 1  
 ANYTOWN ON  
 F1A 2W2

**Roll Number** 233-C4-16  
**9900 554 343 56472 0000** 109/370

**Municipality**  
 ANYTOWN

**Location and Property Description**

RP 66M2002 Frontage 50.00  
 LOT 29 PLAN M334929 Depth 150.00  
 Area

**This is not a tax bill.**  
 Please retain this Property Assessment Notice.

Shown below is the **current** assessed value of your property based on the January 1, 2005 valuation date.  
 This assessed value will be used by your municipality to calculate your 2006 property taxes.

**CURRENT**

Property Classification	Assessed Value	School Support Designation
Residential Taxable: Full	\$261,000	English-Public

Shown below is your property's **previous** assessed value as of June 30, 2003, used by your municipality to calculate 2005 taxes.

**PREVIOUS**
**Assessed Value**

Please see insert for more information. \$247,000

Over the 18 month period, **June 30, 2003 to January 1, 2005**, the assessed value of your property changed by: **5.66%**  
 The average value of residential properties in your municipality (at the time of this printing) changed by: **9.78%**

An assessment increase does not necessarily mean your taxes will increase. The amount by which your property taxes may change will not be known until the tax rates have been set and municipal tax policy options have been determined for the taxation year.

**Questions?**

Please see the insert included with this Notice for more information about property assessment.

If you have questions, our customer service associates will be pleased to assist you. Please have this Notice on hand when you call; you will be asked for your 19-digit Roll Number printed in the top right corner.

Questions about your property taxes should be directed to your local municipality.

**Extended Hours:** September 15 to December 22, 2005  
 8 a.m. to 6 p.m. - Monday to Friday  
 9 a.m. to 12 noon - Saturdays

1 866 296-MPAC (6722)



Mon. - Fri. 8 a.m. to 5 p.m.  
 (see above for extended hrs)

web site / e-mail



www.mpac.ca

fax



1 866 297-6703

mail



P.O. Box 9808  
 Toronto ON M1S 5T9



MUNICIPAL PROPERTY ASSESSMENT CORPORATION

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 - for the 2006 tax year

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 Toronto ON M1S 5T9

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## New Notice vs. Standard Notice

3 new data elements included on the 2005 residential Property Assessment Notice

- previous assessed value as of June 30, 2003, used by municipalities to calculate the 2005 property taxes
- the percentage change in assessed value from June 30, 2003 to January 1, 2005, at the individual property level
- the average percentage change in residential values for the municipality

**While most residential property owners will receive the new Notice, the standard Notice will be mailed to any property owner that received a Supplementary Assessment Notice, Request for Reconsideration adjustment or Assessment Review Board adjustment in 2005. The standard Notice will also be mailed to non-residential property owners (e.g., commercial, industrial, multi-residential and farm).**

## Important information about your 2005 Property Assessment Notice

Your 2005 Property Assessment Notice shows the assessed value of your property as of January 1, 2005.

When your municipality sets 2006 property tax rates, they will be applied to the assessed value to determine your 2006 property taxes. Education tax rates, which are set by the Provincial Government, will also be applied to the assessed value.

### How your assessment was determined

The Municipal Property Assessment Corporation (MPAC) classifies and assesses all properties in Ontario under the *Assessment Act* and regulations established by the Provincial Government.

To establish your property's assessed value, MPAC analyzes the property sales in your area. These sales provide the basis for assessed values. MPAC continually collects information about properties to ensure that similar property types are valued consistently within the market area.

This method is called Current Value Assessment. It is used by most assessment jurisdictions in Canada and around the world.

### Testing the accuracy of your assessment

Accurate assessments are the cornerstone of the property tax system. MPAC is committed to ensuring that your 2005 property assessment is accurate.

To test your assessment, ask yourself if you could have sold your property on January 1, 2005 for its assessed value. If your answer is "yes" your assessment is accurate.

### Commercial, industrial and other property classifications

In addition to residential, there are six other classes of property: multi-residential, commercial, industrial, pipe line, farm and managed forests. Tax rates may vary depending on the classification of your property.

For more information on these classes, please call us at 1 866 296-MPAC (6722) or visit our web site at [www.mpac.ca](http://www.mpac.ca).

## Changes to Notices for Residential Properties

New information has been included in the Notices sent to most residential property owners this year:

- the previous assessed value as of June 30, 2003 that was used to calculate your 2005 taxes;
- the percentage increase or decrease of your property's assessed value between June 30, 2003 and January 1, 2005; and
- the average percentage increase or decrease in residential property assessments for your municipality at the time your Notice was printed. This percentage reflects the overall change to all residential properties, including waterfront and non-waterfront, although individual property types may have changed at different rates.

The actual percentage change for your municipality is not finalized until assessment rolls are delivered to municipalities in December 2005.

The average percentage increase or decrease in residential property assessments for your municipality is also available at [www.mpac.ca](http://www.mpac.ca).

An assessment increase does not necessarily mean your taxes will increase. The amount by which your property taxes may change will not be known until the tax rates have been set and municipal tax policy options have been determined for the taxation year.

**If your property's assessment underwent any changes in the last year, your Notice will not include the new information.**



## If you don't agree with your assessment

### 1. Contact MPAC

We are here to answer your questions. If details about your property, your school support designation or any other information on your Notice is incorrect, please call us toll free at 1 866 296-MPAC (6722). We are committed to ensuring your 2005 property assessment is accurate.

### 2. Ask MPAC to review your property's assessed value

If you believe your assessed value is not accurate, we will review the assessment. There is no fee for this review. You can request a review any time before December 31, 2006.

There are three ways to request a review:

- ✓ Complete a Request for Reconsideration form, available online at [www.mpac.ca](http://www.mpac.ca); or
- ✓ Call us toll free at 1 866 296-MPAC (6722); or
- ✓ Write a letter requesting a review of your assessment (see address below). Please include:
  - The 19-digit roll number on your Notice;
  - Your full name, address and phone number; and
  - The reasons why you feel your assessment is incorrect.

### 3. File a Notice of Complaint with the Assessment Review Board

You can also file a Notice of Complaint with the Assessment Review Board (ARB), an independent tribunal of the Ministry of the Attorney General of the Province of Ontario.

There are specific application forms and fees involved.

You will also be asked to appear at a hearing to support your argument. MPAC will also appear at the hearing.

You can file a complaint at any time before March 31, 2006, even if you have already requested an assessment review from MPAC.

For more information, contact the Assessment Review Board toll free at 1 800 263-3237 or 416 314-6900 or visit the ARB web site at [www.arb.gov.on.ca](http://www.arb.gov.on.ca).

## AboutMyProperty™

### Online information and help

You can access assessment roll information and assessment roll values for your property and up to 12 comparable properties of your choice, free of charge, through AboutMyProperty™ at [www.mpac.ca](http://www.mpac.ca).

2005 roll values will be available online in January 2006. To register, call us at 1 866 296-MPAC (6722) or register online during business hours.

You can also send a written request for this information by:

E-mail: [enquiry@mpac.ca](mailto:enquiry@mpac.ca)

Fax: 1 866 297-6703

Mail: MPAC  
Attention: GRAD Program  
P.O. Box 9808  
Toronto ON M1S 5T9

## Extended Hours for MPAC's toll free Enquiry Line:

From September 15 to December 22, 8:00 a.m. to 6:00 p.m. Monday through Friday, and from 9:00 a.m. to 12 noon on Saturdays.

During this time, call volumes may be higher than normal. Every effort will be made to respond promptly to your enquiry.

Please have your 19-digit roll number available when you call.

1 866 296-MPAC (6722)



Mon. – Fri. 8 a.m. to 5 p.m.  
(see above for extended hours)

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## Resolving Assessment Concerns

- MPAC assesses 4.4 million properties every year. We strive for accuracy but if errors are made, we will go the extra mile to answer questions, address concerns, identify problems and quickly correct errors
- Property owners may call us toll free at 1 866 296-MPAC (6722)
- Our Customer Contact Centre will be offering extended hours from September 15 to December 22:

Monday through Friday - 8:00 a.m. to 6:00 p.m.

Saturday - 9:00 a.m. to 12 noon



## Request for Reconsideration

- If a property owner believes their assessed value is not accurate, MPAC will review the assessment through the Request for Reconsideration process
- There is no fee for this review
- Property owners may request a review any time before December 31, 2006



## Assessment Review Board

- Property owners can also file a Notice of Complaint with the Assessment Review Board (ARB)
- The ARB is an independent tribunal of the Attorney General of the Province of Ontario
- There are specific application forms and fees involved
- A complaint can be filed any time before March 31, 2006, even if the property owner has already requested a review from MPAC
- Filing deadline is March 31, 2006
- The ARB decision is final for the taxation year





## Property Owner Access to Information

- Assessment roll is available for viewing at municipal offices
- AboutMyProperty™([www.mpac.ca](http://www.mpac.ca)), a secure, online service that provides property owners with convenient access to basic property valuation information
  - 1 Property Profile Report for their own property; and
  - assessment information for 12 properties of their choice:
    - 6 Assessment Roll Look-ups and
    - 6 Detailed Property Reports
- Upon written request to MPAC
  - 1 Property Profile Report for their own property; and
  - comparable Property Reports for 6 properties of their choice, and 6 properties selected by MPAC



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# LEGISLATIVE CHANGES

## MANAGED FOREST & EQUESTRIAN PROPERTIES



## MANAGED FOREST

- 2005 Ontario Budget - the Government introduced legislative amendments to implement new assessment methodology for Managed Forest Properties
- MPAC has postponed the mailing of the Property Assessment Notices for eligible Managed Forest properties in anticipation that the proposed legislation will be passed this fall
- If legislation is passed by early-November, the assessment changes will be made and Property Assessment Notices will be mailed for the 2006 tax year
- The Ontario Woodlot Association and the Ontario Forestry Association are aware of the pending legislation and are advising their clients



## EQUESTRIAN PROPERTIES

- Earlier this year, the Ontario Government filed O. Reg. 100/05 to change the way equestrian operations are assessed and classified
- Regulation affects the 2004, 2005 and future taxation years and directs the valuation treatment and tax classification of the various activities that occur on equestrian facilities
- Some properties have been changed through the Request for Reconsideration or Assessment Review Board complaint process, others have or will receive Special Amended Property Assessment Notices this fall



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# QUESTIONS?



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# THANK YOU

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