

Title: Assessment Base Management Policy

Number: FIN-20-02

Approved By: City Council

Administered By: Finance Services

Effective Date: January 20, 2020

Revision Date(s):

1.0 Purpose/Background

The purpose of Assessment Base Management is to ensure accuracy of the Assessment Roll for the City of Oshawa. The process involves City staff collaboration with the Municipal Property Assessment Corporation (M.P.A.C.), the property owners as well as all other stakeholders to promote equity and fairness.

2.0 Policy Statement

Assessment Base Management is essential to protect the largest source of municipal revenue and ensuring that equality and fairness underlie the principles of the City of Oshawa's approach to assessment and taxation.

This policy is implemented in accordance with governing legislation and any incongruence between the policy and the governing legislation, the provisions of the governing legislation will prevail. This policy promotes fiscal sustainability and management of the assessment base program.

3.0 Scope/Application

Assessment Base Management is necessary for the City of Oshawa's Strategic Plan goal of Accountable Leadership by ensuring respect, responsiveness and transparency. This policy supports the sustainable revenue streams improving the balance between property taxes and other revenue sources as referenced in the City's Financial Strategy. The protection of the assessment base and subsequently its primary source of revenue is of critical importance.

This policy promotes equity, fairness and transparency of the City's assessment base. It determines assessment and classification strategies designed to promote stability. This policy also is a vessel to proactively prevent assessment loss and inequity in property valuation.

The policy establishes all aspect of the Assessment Base Management process and identifies the responsibilities for the protection of such in accordance with:

- City of Oshawa budgetary and legislative requirements;

- City of Oshawa Customer Service Standards;
- City of Oshawa By-laws;
- Municipal Act, 2001
- Assessment Act
- Statutory Powers Procedure Act
- Provincial Land Tax Act
- Condominium Act
- Education Act

This policy is written in compliance with the Municipal Act, 2001 (“M.A.”), related to Ontario Regulations made under the M.A. and applicable City by-laws, as amended from time to time. Define the scope and application of the policy.

4.0 Definitions

Advisory Notice of Adjustment (“A.N.A.”) - notification to advise property owners of changes in phased-in assessment following an Assessment Review Board decision.

Assessment Review Board (“A.R.B.”) - Independent tribunal that is part of the Environment and Land Division Tribunals Ontario cluster which reports to the Ontario Ministry of the Attorney General and hears assessment appeals from property taxpayers.

Classification Day – The day as of which land shall be classified for a taxation year is June 30 of the previous year. (Assessment Act, S. 19.3)

Current Value Assessment (“C.V.A.”) – the price a property might reasonably be expected to sell for if sold by a willing seller to a willing buyer after appropriate time and exposure on an open market. For property assessment purposes, current value and assessed value are the same thing.

Exempt Property - Property which is assessed, but not taxed. Generally, properties which are exempt from property taxes provide services for the public good, such as schools, places of worship and hospitals. Other charities and philanthropic organizations mentioned in the Assessment Act may be given exempt status if certain criteria are met. Properties eligible for exemption are found in Section 3 of the Assessment Act.

Municipal Property Assessment Corporation (“M.P.A.C.”) – is responsible for accurately assessing and classifying properties in Ontario in compliance with the Assessment Act and regulations set by the Government of Ontario.

Municipal Tax Application – a municipal form providing details required to determine whether a tax refund, cancellation, reduction or increase is warranted. This application is guided through the Municipal Act, 2001, S. 357, 358 and 359 as amended.

Omitted Assessment - An assessment which has not been recorded on the assessment roll. When an omitted assessment is added to the assessment roll, property taxes can be collected for the current year and, if applicable, for any part or all of the previous two years.

Payment-in-lieu of Taxes - Payments made to municipalities by the provincial or federal government, where properties are exempt from property taxation. Also known as grant-in-lieu of taxes.

Property Classification - A categorization of a property or a portion of a property according to its use, each category representing a different tax class. There are seven major classes of property (residential, multi-residential, commercial, industrial, pipe line, farm, managed forests) and six specialty classes (new multi-residential, office building, shopping centre, parking lots and large industrial and professional sports facilities) as well as the vacant land property classes.

Post Roll Assessment Notice ("P.R.A.N.") – notice mailed to property owner to notify of a factual error(s) in the assessed value, classification or tax status of your property.

Request for Reconsideration ("R.f.R.") - Property owners who disagree with the current value assessment or classification on their Property Assessment Notice may ask M.P.A.C. to conduct a review of their assessment through the Request for Reconsideration process. There is no fee for this service and a request can be made at any time during the taxation year.

Special Amended Property Assessment Notice – ("S.A.N.") – notification to advise property owners of a change in legislation impacting their property.

Severance Consolidation Information Form ("S.C.I.F.") – a form submitted to the City providing details of a property changes in roll numbers, legal descriptions, division or consolidation of a property.

Supplementary Assessment - An assessment made during a taxation year for an addition, renovation or construction. When a supplementary assessment is added to the assessment roll, additional property taxes can be collected for that portion of the current tax year that the supplementary addresses. A supplementary assessment can also be issued when there has been a change in the tax class of a property. The classification may occur during the taxation year, or the preceding November or December. Where the class change results in a higher tax rate, municipalities cannot collect additional taxes for those two months but only for the current tax year.

Valuation Date - A fixed point in time on which current assessment values are based. This date is set by the provincial government. The valuation date in Ontario is January 1.

5.0 Responsibilities

The Commissioner, Corporate and Finance Services has overall responsibility for the development and management of the assessment base management program. Notwithstanding; responsibilities will be carried out by the reporting Manager, Taxation Services as follows:

The Manager shall develop specific procedures and workflows, to establish and maintain assessment equity within each property class, and to stabilize the value of the assessment base strategically. This will be achieved by:

- Collaborate with M.P.A.C. to ensure timeliness of the Supplementary and Omitted extracts as well as monitor zoning changes and registered plans of subdivision
- Review Request for Reconsideration Minutes of Settlement as delivered by M.P.A.C. to the City
- Review Minutes of Settlement as determined by the Assessment Review Board
- Collaborate with M.P.A.C. on property specific issues and challenges
- Active participation in Assessment Review Board Appeals
- File proactive appeals on properties of significant impact to the assessment roll, where the assessment risk is high
- Review S.C.I.F. ensuring accuracy and data completeness
- Monitor “Municipal Tax Applications” ensuring reasonableness to assessment corrections
- Effectively manage the exempt tax class
- Effectively manage the Payment in lieu of taxes tax classes
- Collaborate with M.P.A.C. to ensure taxable tenant assessment are assessed accurately
- Coordinate with other City of Oshawa departments on property changes processes such as planning and development as well as building services.

6.0 Practice/Procedures

The procedures required in the management of the assessment base program include:

Analysis of the returned roll - Perform a detailed statistical review of the annual assessment roll return. Review year over year changes and investigate assessment anomalies. Properties that require corrections can be presented to M.P.A.C. for their review and consideration to have the roll updated.

Analysis of Minutes of Settlement – Minutes of Settlement received from a decision of an appeal are reviewed for accuracy and appropriateness. Any anomalies and potential precedent of change are investigated. The City may file an objection appeal with M.P.A.C. within 90 days of reception of the notification of settlement.

Collaboration with Municipal Property Assessment Corporation (M.P.A.C.) - Many issues can be resolved by working in close cooperation with M.P.A.C. and avoiding the need for a time consuming and costly appeal process. In many cases M.P.A.C. can make corrections to the assessment roll through various mechanisms available to it (i.e. supplementary and omitted assessments, P.R.A.N., S.A.N., A.N.A., motion for palpable error correction). In order to make these corrections, staff/agents will work with M.P.A.C. to identify such properties, communicate the reason for the City’s concern about the property, and review M.P.A.C.’s response to the issue. This can be achieved in part by monitoring the building permit lists, providing M.P.A.C. with change of property use data, zoning review, local use knowledge and by quality process measures on newly created parcels.

Detailed Annual Review of Municipally Owned Properties - This includes reviewing all assessment notices for the City to ensure the appropriate assessment and tax class exists. The City of Oshawa owns numerous taxable properties and properties that may be subject to payments-in-lieu of taxes through taxable tenants. In addition, reviewing the assessment of exempt properties is important as these assessments are included in the calculation of the City's annual cost of M.P.A.C. services and in some cases Provincial Education taxes.

Defending the City against reactive appeals - Municipal involvement in appeals was generally abrogated to M.P.A.C. to defend the assessment at the A.R.B. and in negotiations with property owners. M.P.A.C. does not represent municipalities in appeal management; it is a third party and declares that it must remain neutral to represent the interests of all parties to create and manage property assessment in accordance with the Assessment Act.

Consequently, for The City of Oshawa, all assessment appeals will be reviewed to determine the appropriate level of involvement by The City of Oshawa. The following criteria to be used to determine level of municipal involvement:

- Materiality of any potential change; for this purpose, an appeal is said to have material impact where the potential assessment reduction and resulting tax loss may exceed the annual estimated tax reductions and potentially have major financial impact; or may exceed or challenge the City's ability to finance the cost of the write-off;
- Precedent that may be established;
- Position of M.P.A.C. on an appeal if identifiable;
- Pleadings of an appellant;
- Case law.

Proactive Appeals by The City of Oshawa - In rare circumstances where the City needs to file an appeal to protect its interests, The City of Oshawa will participate and engage property owners (or representative if one so exists) and M.P.A.C. to ensure the assessment of the identified property is correct and stabilized. Proactive appeals should be utilized as a last resort in situations where the assessment of a property is not correct to the City's satisfaction. When time is limited and an appeal time frame window is insecure there may be insufficient time as needed to manage and protect the interests of The City. Launching appeals is a time- consuming and potentially expensive process and care must be taken in determining which properties should be appealed. Historically, assessment appeals have not typically been initiated by Ontario municipalities as an appeal is against the M.P.A.C. valuation of property.

Every effort should be taken to convince M.P.A.C. and influence the assessment as considered necessary and appropriate by The City of Oshawa prior to exercising the City's appeal rights.

Assessment Appeals by the City essentially are based on the City's professional or expert opinion that the value or tax classification assigned to a property by M.P.A.C. is incorrect. An appeal by The City of Oshawa is intended to present fact and evidence to correct or revise M.P.A.C.'s assessed value. An appeal by the municipality challenges M.P.A.C.'s valuation. The Commissioner shall report any such appeals to City Council.

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As litigation may ensue, this matter should be treated as confidential pending the outcome of the process.

Monitor Other Municipal Applications - Applicants will apply to the appropriate City staff department and provide the proper documentation to the support their specific application (section 357 of the Municipal Act, 2001 for example). The municipality will forward these applications onto M.P.A.C. for determination of relative assessment. Once returned, the municipality will review and verify the adjustment to assessment and/or tax classification, and work with M.P.A.C. to ensure these changes are reflected on the roll either temporarily or permanently.

7.0 Monitoring/Review

Not Applicable

8.0 References

[Tax Collection Policy](#)

[Municipal Property Assessment Corporation \(M.P.A.C.\)](#)

[M.T.A.G. Paralegal Professional Corp](#)

9.0 Approval

Authority	Date	Signature
Council	January 27, 2020	