

Notes of the MPAC presentation to Mississippi Mills, 13 November 2008

- AJ Ball

About MPAC

MPAC mission: "To serve Ontario property taxpayers together with provincial and municipal stakeholders through accurate and timely property assessments and a commitment to service excellence."

Province is responsible for assessments. MPAC manages this for the province.

Assessment Review Board mediates between MPAC and property owner.

Municipalities determine tax rates, which are based on the assessments. MM reported that they have decreased the tax rate in every year that there has been an assessment for the last few assessments.

Current Value Assessment (CVA): This is the method of assessment used by MPAC and is based on open market sales between willing seller & willing buyer. This does not include sales between family members, sale sold by power of sale or sales that are significantly higher or lower than other houses in the neighbourhood. Also, they do not review the prices of houses that have been put on the market but don't result in a sale.

In 2008, the Property Assessment Notice was extensively redesigned as a result of feedback from many stakeholders.

4.7 million properties were assessed in Ontario. 6,000 properties were assessed in Mississippi Mills.

MPAC staggered the mailing of the assessments throughout the province (e.g., they were sent to MM before Ottawa).

There have been several recent legislative and procedural changes:

Bill 187: This changed the review from an annual cycle to a 4-year cycle beginning for 2009 tax year. They are based on the CVA as of 1 January 2008. If the value of the CVA increased (from 2005), assessment is phased in over 4 years. If the CVA value is lower, it becomes effective immediately and applies for the 4-year period.

2008 Ontario budget: MPAC can send amendment to the assessment at any time if there are factual errors. Municipality is notified and adjusts municipal taxes accordingly (increase or decrease).

Some property owners will receive additional pages or schedule with their assessment. Some examples are: multi-residential properties (over 7 units?) and properties with a previous appeal history ("History of Requests for Reconsideration and Assessment Review Board Appeals").

If property is unchanged over the next 4 years, no new assessment will be sent to the owner during this period.

All owners are now listed (used to be just the first 2 owners).

Appeal date is now March 31st (used to be December 31)

The building square footage is based on the main building and doesn't include sheds, pools, etc. If the owner disagrees with the measurement listed on the form, MPAC will do an onsite review. If the building has very thick walls, they will use interior measurements.

Request for Reconsideration (RfR) and Assessment Review Board (ARB) appeals:

Property owners used to be able to file both RfR and an appeal to the ARB at the same time. Now it is mandatory to file RfR before filing to ARB for properties that are residential, farm or managed forests. For other property types (e.g., commercial), MPAC recommends filing an RfR before appealing to the ARB.

MPAC encourages owners to add attachments to their RfR; e.g., photos of buildings in ill repair or scanned copy of purchase form showing that the owner paid less than the assessed value. There are no fees related to filing an RfR but there are fees for appealing to the ARB.

If there have been changes to the property in 2008 (i.e., since the assessment date of January 2008), the RfR filing deadline within 90 days or before Dec 31st, whichever is later. If there are changes to the property in 2009, the RfR filing deadline is within 90 days.

After an RfR has been submitted, MPAC must mail results of review by September 30th of the taxation year or by November 30th, if all parties agree to an extension. MPAC had 180 days to process an RfR that has been submitted after changes to a property. The property owner has 90 days after MPAC mails the results of the RfR to file an ARB appeal.

For an ARB appeal, the ARB will identify a process for determining the current value of the property (to ensure accuracy) and reference similar properties (to ensure equity).

In an ARB hearing, the burden of proof on correctness of current value lies with MPAC (This is a change – the burden of proof used to be on the appellant). Appellant may make a closing statement at the hearing. The onus is on appellant for some specific issues, especially if the factors are other than for the value; e.g., school support designation or in cases where the appellant refuses to let MPAC onto the property.

Examples of average increases for Mississippi Mills:

Commercial: 20.46%

Farm: 13.44%

Managed forest: Won't be available until Dec.

Multiple-unit: 20.65%

Average residential: 26.93%

Condo: 17.20%

Special/exempt: 5.88%

Average across all properties: 23.67%

Detailed residential:

Single residential: 25.01%, \$249K

Townhouse: 23.56%, \$207K

Semi-detached: 21.06%, \$189K

On water: 32.2%, \$343K

Condo: 17.2%, \$178K

Questions & discussion:

Q: How can property owners have MPAC correct factual errors?

A: Changes to factual information can be updated by a phone call to MPAC.

Q: What will be the affect of possible housing price decreases?

A: MPAC can't change the assessment process without legislated change.

Q: If there was no change to house, then why was the increase 50% instead of being the same as the average price increase in the area?

A: Within each municipality, there are neighbourhoods and the rate of change is based on the situation of the neighbourhood.

Q: Is being on a private road a factor in the assessment?

A: Yes, there are many factors and there is a list of factors on the web site. Also, the type of waterfront makes a difference; e.g., sand beach, cliff or rocky shore.

Q: How is a neighbourhood defined?

A: A neighborhood could be houses in similar situations; i.e., all houses on waterfront or all houses on private roads in the Town.

Q: How can the property owners find out what assessment factors have been used to assess their property?

A: The owners can call MPAC to get a list of the factors used to assess their property; e.g., what type of waterfront was applied to the property.

Q: If few houses are for sale in an area, how does MPAC accurately determine influence?

A: If there are only a few houses in an area, they will be grouped with houses in similar situations in other parts of the Town so that the size of all neighbourhoods is similar.

Q: On the MPAC site, we appear to only be able to search properties in the Town of Mississippi Mills. Is this correct?

A: Yes.

Q: If many property owners in a neighbourhood were planning to submit an RfR, would it be preferable to submit one document that included everyone's concerns?

A: This is an option. However, if many individual owners in a neighbourhood submit RfR's, MPAC may do a review of that neighbourhood.

Q: On a road in Appleton, 1 house did not sell and another house sold for \$60K less than asking price. Why were the assessments on those properties based on the asking price in each case?

A: No clear reason provided.

Issue: Communities in Lanark that have higher property values, like Mississippi Mills, end up paying more in taxes to Lanark County than communities that have lower property values.

MPAC web site:

The MPAC web site includes documentation, links and tutorials: <http://www.mpac.ca/>

In the AboutMyProperty section, property owners are allowed only 100 property snap shots + 24 property details (properties of interest).

Some features of the MPAC site do not work on MAC computers.

Mississippi Mills aggregated sales data for residential and recreational properties:

http://www.mpac.ca/pages_english/pdf/0931.pdf

Contact information:

Region #2
Lanark County
Leeds & Grenville County
Municipal Property Assessment Corporation
2479 Parkedale Avenue
Brockville ON
K6V 3H2
E-In-home: enquiry@mpac.ca
Toll Free 1-866-296-MPAC (6722)
Fax: 1-866-297-6703
Extended Hours for MPAC's toll-free customer service
From September 15 – November 28, 2008
8 a.m. to 6 p.m. Monday – Friday
Have your 19-digit roll number available when you call.

About these notes:

Thank you to Mississippi Mills for arranging this meeting. The council gallery was quite full.

It was a stimulating presentation in that I came out of the meeting with many more questions than I went in with – and I had the impression that most others were the same way. When I went to the MPAC web site to look for answers, I soon realized how little I knew about MPAC and the assessment procedures. Please go to the web site or contact MPAC to verify anything written in the notes or if you have specific questions.

I think that there may be some people in the village who are interested in getting together to discuss issues further and in sharing information about their assessments and the appeal procedures. If you are interested, let me know.