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TO: Chairs and Members of Finance and Economic Development Committee

DESTINATAIRE : Président(e) et membre du Comité des finances et du développement économique

FROM: Wendy Stephanson,
Deputy City Treasurer, Finance
Department - Revenue

Contact :
Wendy Stephanson,
Deputy City Treasurer, Revenue Branch
613-580-2424 EXT. 13192
Wendy.Stephanson@ottawa.ca

EXPÉDITEUR : Wendy Stephanson,
Trésorière municipale adjointe, Service
des finances - Recettes

Personne ressource :
Wendy Stephanson,
Trésorière municipale adjointe,
Directions des recettes
613-580-2424 x 13192
Wendy.Stephanson @ottawa.ca

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FILE NUMBER: ACS2015-CMR-FIN-0035

**SUBJECT: 2015 Property Assessment Appeals to the Assessment Review Board
by the City of Ottawa**

**OBJET : Appels d'évaluation foncière déférés en 2015 à la commission de
révision de l'évaluation foncière par la ville d'Ottawa**

PURPOSE

The City is authorized to file appeals under the *Assessment Act*. The City Treasurer, the Deputy City Treasurer, Revenue, the Manager of Billing and Tax Policy and the Program Manager of Assessment have the delegated authority to commence and

maintain proceedings to the Assessment Review Board with respect to property assessments. This report is to provide information about the 2015 assessment appeals, filed by the City of Ottawa to the Assessment Review Board.

EXECUTIVE SUMMARY

The Revenue Branch protects City tax revenues by reviewing/analyzing the property assessment base. This involves the City launching assessment appeals, where applicable, to provide a measure of equity and fairness to all taxpayers.

The Revenue Branch examines the Assessment Roll for the taxation year, to determine if the City should appeal any properties. As part of the review the Revenue Branch looks at the assessed values of certain types of properties (e.g. subdivision plans, draft plans and other development lands, etc.) to determine whether these properties are properly assessed in comparison to other similar properties. Typically this annual review reveals that some properties may not have been equitably assessed resulting in them being under-taxed or over-taxed. When a property is under-taxed, it means that the property is not carrying its full share of the tax burden and other properties are picking up the shortfall.

BACKGROUND

Where appropriate, the Revenue Branch files an appeal of the property assessment with the Assessment Review Board, in accordance with its rules and procedures and the provisions of the *Assessment Act*. The Revenue Branch also sends written notice of the appeal to the property owner(s). The Assessment Review Board will ultimately notify all parties when it is ready to start the hearing procedures, which normally occurs several months later.

Subsection 40(1) of the *Assessment Act*, provides that: “Any person, including a municipality or a school board, may complain in writing to the Assessment Review Board that,

- a. The current value of the person’s land or another person’s land is incorrect;
- b. The person or another person was wrongly placed on or omitted from the assessment roll;
- c. The person or another person was wrongly placed on or omitted from the roll in respect of school support;
- d. The classification of the person’s land or another person’s land is incorrect;
- e. For land, portions of which are in different classes of real property, the determination of the share of the value of the land that is attributable to each class is incorrect.

The majority of the City launched appeals to the Assessment Review Board are related to incorrect land value and/or incorrect tax classification.

DISCUSSION

After reviewing the status of the 2015 Assessment Roll, the Revenue Branch launched 93 new property assessment appeals. The Revenue Branch may launch a property assessment appeal for the following reasons:

1. That the current value relating to some of these properties be assessed with comparison to other similar properties.
2. That the Current Value Assessment (CVA) be compared to the current sale prices.
3. That the tax class changes be made on some of the properties, as it is not indicative of the current use.
4. That contaminated properties/land is assessed accordingly.

In comparison, the Revenue Branch launched 102 property assessment appeals in 2014.

CONCLUSION

Property assessments are annually reviewed and potentially appealed to the Assessment Review Board to preserve the highest possible degree of equity and fairness amongst all taxpayers. Revenue Branch is responsible for protecting the assessment base by making sure that assessed values are as accurate as possible and reflect the City's commitment to tax equity and fairness.

This memorandum is for information purposes only.

Original signed by Wendy Stephanson, Deputy City Treasurer, Finance Department, Revenue Branch

CC: Marian Simulik, City Treasurer, Finance Department