



MEMO / NOTE DE SERVICE

Information previously distributed / Information distribué auparavant

TO: Chair and Members of the Finance and Economic Development Committee

DESTINATAIRE : Président et membre du Comité des finances et du développement économique

FROM: Joseph Muhuni,
Acting Deputy City Treasurer, Revenue
Services, Finance Services Department

Contact:
Krista O'Brien,
Program Manager, Tax Billing & Control,
Finance Services Department
613-580-2424, ext.15809
Krista.Obrien@ottawa.ca

EXPÉDITEUR : Joseph Muhuni,
Trésorier municipal adjoint par intérim,
Services des recettes, Direction
générale des services des finances

Personne ressource :
Krista O'Brien,
Gestionnaire de programme, Facturation
d'impôt foncier et contrôle, Direction
générale des services des finances
613-580-2424 poste 15809
Krista.Obrien@ottawa.ca

DATE: October 5, 2021

5 octobre 2021

FILE NUMBER: ACS2021-FSD-REV-0007

**SUBJECT: 2021 Property Assessment Appeals to the Assessment Review Board
by the City of Ottawa**

**OBJET : Appels d'évaluation foncière différés en 2021 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 Chief Financial Officer, the Deputy City Treasurer, Revenue, the Manager of Billing and Assessment and the Program Manager of Tax Billing and Control have the delegated authority to commence and maintain proceedings to the Assessment Review Board on property assessments. This report provides information about the 2021 assessment appeals filed by the City of Ottawa to the Assessment Review Board.

EXECUTIVE SUMMARY

Revenue Services protects municipal tax revenues by regularly reviewing and 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.

Revenue Services examines the assessment roll for the taxation year to determine if the City should appeal any properties. As part of the review, Revenue Services analyses the assessed values of specific types of properties to determine whether these properties are appropriately assessed compared 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 is not carrying its total share of the tax burden, and other properties are picking up the shortfall.

BACKGROUND

Where appropriate, Revenue Services files an appeal of the property assessment with the Assessment Review Board, following its rules and procedures and the provisions of the *Assessment Act*. By way of a third-party consultant, Revenue Services sends written notice of the appeal to the property owner(s). The Assessment Review Board ultimately notifies all parties when ready to start the hearing procedures, usually 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.

Most of the City launched appeals to the Assessment Review Board are related to incorrect land value and incorrect tax classification.

DISCUSSION

After reviewing the status of the 2021 Assessment Roll, Revenue Services launched 32 new property assessment appeals.

Revenue Services 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, Revenue Services launched 56 property assessment appeals in 2020, 30 appeals in 2019, 61 in 2018, and 195 in 2017. Fewer appeals are typically launched after the first year of a new Assessment Phase-In Cycle.

CONCLUSION

Property assessments are reviewed annually, with some being potentially appealed to the Assessment Review Board to preserve the highest possible degree of equity and fairness amongst all taxpayers. Revenue Services is responsible for protecting the assessment base by ensuring 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.

Joseph Muhuni
Acting Deputy City Treasurer, Revenue

cc: Wendy Stephanson, Chief Financial Officer, Finance Services Department