



MEMO / NOTE DE SERVICE

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

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

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

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

EXPÉDITEUR : Joseph Muhuni,
Trésorier municipale adjoint intérimaire,
Recettes Direction générale des
services des finances

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

DATE: September 25, 2020

25 septembre 2020

FILE NUMBER: ACS2020-FSD-REV-0005

**SUBJECT: 2020 Property Assessment Appeals to the Assessment Review Board
by the City of Ottawa**

**OBJET : Appels d'évaluation foncière différés en 2020 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 with respect to property assessments. This report is to provide information about the 2020 assessment appeals, filed by the City of Ottawa to the Assessment Review Board.

EXECUTIVE SUMMARY

Revenue Services protects City 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 reviews the assessed values of certain types of properties 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, Revenue Services may file an appeal of a property's assessment with the Assessment Review Board, in accordance with its rules and procedures and the provisions of the *Assessment Act*. Revenue Services 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 incorrect tax classification, where the tax implications are significant.

DISCUSSION

Revenue Services may launch a property assessment appeal where:

1. The Current Value Assessment (CVA) of a property has been assessed equitably in comparison to other similar properties.
2. The CVA of a property is not reflective of the current sale prices for similar properties in the area.
3. The tax class of a property is not indicative of the current use of the property.
4. The CVA of current or previously contaminated properties/land is incorrectly assessed.

After reviewing the status of the 2020 Assessment Roll, Revenue Services filed 56 new property assessment appeals. In comparison, Revenue Services filed 195, 61 and 30 property assessment appeals in 2017, 2018 and 2019 respectively. Generally, the highest number of appeals are filed in the first year of a 4-year assessment cycle and decrease each subsequent year as we move through the 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,
A/Deputy City Treasurer, Revenue

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