

## **Property Assessment Notice 2008**

### **Frequently Asked Questions and Responses**

#### **Assessment Related:**

**Q:** What is this new re-assessment?

**A:** Starting in 2009, assessment increases will be phased-in over a four year cycle. This mandatory phase-in will apply to all property classes. Assessment decreases will not apply.

**Example:** A \$40,000 assessment increase will be phased-in gradually in increments of \$10,000 each year over 4 years as follows:

From: \$200,000      To: \$240,000

<u>Year</u>	<u>Assessment</u>
2009	210,000
2010	220,000
2011	230,000
2012	240,000

**Q:** Who made the decision to implement a reassessment?

**A:** The Provincial government determines reassessment programs and reassessment programs are mandatory and Province-wide.

**Q:** What is the valuation date of my new assessment?

**A:** Your valuation date of your new assessment is January 1, 2008. The valuation date of your old assessment was January 1, 2005.

**Q:** If my property was built in 2007, what is my old valuation date?

**A:** If your property was built anytime after January 1, 2005, your valuation date will still be January 1, 2005. MPAC will determine a value for your property as of this date.

**Q:** How does MPAC assess my property?

**A:** Your assessment is determined using a variety of factors which include:

- recent sales of similar properties in surrounding neighbourhoods and sub-neighbourhoods
- three years of sales in most market areas are used in this analysis
- property features such as: location, size of lot and dimensions, living area, age of property, renovations, and quality of construction are all factors taken into consideration when determining the market value of property in Ontario.

**Q:** How can I find out more information about my assessed value?

**A:** You can access your assessment roll information (i.e. current value assessment, lot size, legal description) and obtain assessment roll values of comparable properties of your choice through “AboutMyProperty” on the MPAC website [www.mpac.ca](http://www.mpac.ca). This information is provided free of charge, and included on the assessment notice is a unique user id and password that allows you access to this information.

**Q:** Why has there been a change to the re-assessment system with the introduction of a four year phase-in of assessment increases? Will this new re-assessment benefit me?

**A:** In recent years there have been significant changes in property values, caused by market forces, which has impacted property tax liability levels.

This new system of phasing-in assessment increases will provide a greater level of stability and predictability. Additionally, the phase-in will help to smooth out increases and provide a more gradual move to the new assessment level.

### **Appealing my assessment:**

**Q:** How do I appeal my assessment?

**A:** Beginning in 2009, the first mandatory step is to file a Request for Reconsideration (RfR) with MPAC by March 31 of the taxation year for Residential, Farm, and Managed Forest property classes. For supplementary and omitted assessments, the deadline to file an RfR or appeal is 90 days after the mailing date of the assessment notice. For all other classes, filing an RfR is not a mandatory first step.

**Q:** What assessment value is appealed, the full value or the phased-in value?

**A:** The assessment value that must be appealed is the full value, which is the 2012 tax year value.

**Q:** When will MPAC issue a decision based on the RfR?

**A:** MPAC will be required to issue the RfR decision by September 30 of the tax year, unless all parties have agreed to a further extension to November 30. For supps/omits, MPAC will provide the RfR decision within 180 days after the owner submits the RfR.

**Q:** What if I don't agree with MPAC's decision of my RfR?

**A:** You may file an appeal to the Assessment Review Board (ARB) within 90 days of MPAC mailing the RfR decision. There are specific forms and fees required for the ARB process. Information is available on the ARB website at [www.arb.gov.on.ca](http://www.arb.gov.on.ca).

**Q:** Who should I contact regarding assessment concerns?

**A:** You should contact the **Municipal Property Assessment Corporation (MPAC)** for questions relating to assessment and filing for a Request for Reconsideration (RfR). They can be reached by telephone at 1-866-296-6722 or visit their website at [www.mpac.ca](http://www.mpac.ca) to find out more information or to download the Request for Reconsideration (RfR) form.

### **Taxation Concerns:**

**Q:** Will my taxes go up based on my new assessment?

**A:** Not necessarily. Municipalities and school board tax rates will be set to reflect the updated assessment values. Those properties that received an assessment increase which was approximately the same or less compared to the overall average for that municipality will, in all likelihood, not experience a tax increase as a result of reassessment.

However, if the value increases above that of the average increase in the municipality, in all likelihood, a tax increase will occur due to the reassessment program.

**Example:** Assuming the average assessment increase in a municipality is 15%, if your property assessment has increased by more than 15%, you may experience an assessment related increase.

Besides the valuation changes occurring from the reassessment program, changes in the municipality's budget requirements also affect tax rates. However, budget changes are not reflected until the final tax bill is prepared, after municipalities pass their annual budgets

**Q:** Which assessment value will I be taxed on for 2009?

**A:** The value you will be taxed on will be stated on your Notice of Assessment. The tax year will be in bold. Using the example in the first question, you will be taxed on \$210,000 in 2009, \$220,000 in 2010, \$230,000 in 2011 and \$240,000 in 2012.

Your property tax bill you receive from the municipality will show you the value that is being taxed, which will be the first of the four assessment figures.

**Q:** Why are there percentage changes located on my Notice of Assessment?

**A:** There are two percentage changes located on your Notice of Assessment. The first indicates the percentage change of your assessment from the 2008 tax year compared to the 2009 year. With the second, you'll be able to compare your assessment percent change compared to the average percentage change of the municipality as a whole.

**Q:** What do these percentages mean?

**A:** As a general rule, if your percentage change is larger than the average municipal change, you may experience an assessment related tax increase. If your percentage change is relatively close to the average, in all likelihood, you may not experience an assessment related tax increase or decrease. If your percentage change is less than the average, you may experience an assessment related tax decrease.

**Q:** Who should I contact regarding tax calculations and other taxation concerns?

**A:** Please contact your local municipality's tax department for more questions or concerns, keeping in mind that actual tax impacts will not be known until the spring of 2009 when the tax rates are set through the tax levy by-laws.