



Government Relations Issues Update

Property Assessments

TREB Key Message

Organized real estate is on record as supporting the CVA model as being superior to past practice, but calling for improvements to prevent inaccuracies and inequities.

Background

In 2006, as a result of numerous complaints about the assessment system and the Municipal Property Assessment Corporation (MPAC), the Ontario Ombudsman launched a review. This review resulted in 22 recommendations (attached) to improve fairness and transparency in the property tax system. MPAC agreed to implement the Ombudsman's recommendations and the Minister of Finance announced that the assessments for 2006 and 2007 were being cancelled to allow time to implement the recommendations and for changes to the assessment system to be considered.

In 2007, to prepare for the lifting of the assessment freeze, the Province introduced three significant changes to the assessment system to enhance fairness and predictability of assessments for owners while continuing to revalue properties on a regular basis, including:

- A four year reassessment cycle, starting after the 2008 assessment update.
- A mandatory phase-in of assessment increases spread equally over four years, starting with the 2008 assessment update (assessment decreases would apply immediately);
- converting the current optional Request for Reconsideration program into a mandatory first stage assessment appeal process;

- changing the deadline for filing Assessment Review Board appeals so that it follows the completion of the reconsideration process;
- establishing standard information disclosure requirements at both the reconsideration and appeal stages.

Concern over Ontario's property tax system has a long history, and has resulted in numerous reviews and commissions tasked with determining the fairest system. The current system is a result of these numerous efforts. A brief history is provided below:

- 1976 - 1978 – Commission on Reform of Property Taxation in Ontario – studied and recommended Market Value Assessment; not implemented
- 1985 – Liberal provincial government commissioned study of assessment and property taxation. Study also recommended Market Value Assessment; not implemented.
- 1993 – NDP provincial government established the Ontario Fair Tax Commission; recommended Unit Value Assessment (focuses on size of property not variables such as location); Not implemented.
- 1996 – NDP provincial government established the GTA Task Force; Recommended Actual Value Assessment
- 1998 – In response to GTA Task Force recommendation, new PC provincial government established the Who Does What Panel. This panel recommended the implementation of a uniform value-based assessment system (current value assessment); Provincial government implemented CVA in 1998.
- 1998 – Present – numerous legislative adjustments to CVA policy and reviews of assessment methodology.