

FOCUS & MUNICIPAL ASSESSMENT TAXATION

CASES, COMMENTARY, NEWS AND BEST PRACTICES • JUNE 2011, VOLUME 16 • NUMBER 6

FEATURE

Winnipeg's Canadian Museum for Human Rights in PILT Scuffle

The City of Winnipeg will provide the Canadian Museum for Human Rights (CMHR) with \$3.63 million worth of additional funding, in the form of "future federal cash" in payments in lieu of taxes. The money is in addition to four other city contributions to the museum: \$11.1 million in property tax relief, \$5.1 million capital contribution, \$2.5 million worth in waived lease payments and \$1.3 million in waived development fees.

"It comes from revenue down the road. We're not writing a cheque tomorrow," said Mayor Sam Katz. "By re-investing these Payments in Lieu of Taxes, we can ensure additional funding will assist the museum in reaching its goal of creating a \$310-million attraction, while not impacting the taxpayers of our city."

The museum is predicted to generate millions in accommodation, tax revenue and spin-offs in new jobs, services, capital projects and attractions. It was estimated that annual direct expenditures in Winnipeg will reach approximately \$80 million per year. The museum's "conservative" attendance was estimated at approximately 250,000 visitors annually, although estimates were revised to 55,000 individuals and 58,000 visitors from tours and students.

The Black Rod blog (<http://blackrod.blogspot.com>), written by "citizen journalists," said the museum "has not paid its taxes for 2009 and 2010," being "already \$241,000 in arrears plus penalties, despite collecting \$24.9 million from the federal government over those two years for operating expenses – which were to include payments in lieu of taxes." The site also notes that the province's contribution was doubled from \$20 million to \$40 million, with a "secret" loan of another \$11.1 million to the city "so it couldn't be traced."

Geoff Currier, who blogs at www.takeonwpg.com, wrote that the museum "has become our city's biggest welfare recipient. Since day one the museum has been begging for more of your tax money and getting it." Currier writes that initial estimates for operating expenses for the first year of operation were approximately \$12 million a year; "Now it's around 21 million for the first year of operation."

City auditors recommended that Winnipeg should sell some of its 12 golf courses, convert them into parks or sell some for commercial and/or residential development, discovering city-run golf courses are in a "downward spiral" and racking up massive debt. Winnipeg Golf Services is an agency that runs the public golf courses, currently \$8 million in debt, losing \$1.1 million last year and projected to lose another \$1 million in 2011.

The museum's website notes: "First, the operating budget estimated by The Friends did not take into account the requirement of national museums to make Payments-in-lieu-of-Taxes (PILT) as private museums

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generally do not pay property taxes; however national museums, under the *Payments in Lieu of Taxes Act*, are required to pay to municipalities an amount equivalent to municipal and school taxes. The Museum will be seeking the Government's approval to augment the operating funds already committed by an amount sufficient to cover the obligations placed on it by the *Federal Payments In Lieu of Taxes Act*, when it returns in

2011–2012 to seek approval of ongoing operating funding.” See <http://humanrightsmuseum.ca/about-museum> (Corporate Governance > Corporate Reports > Corporate Plans > Summary of Corporate Plan, Operating and Capital Budgets 2010–2011 to 2014–2015 > 4. Assets, under the heading “Operating Funds”; also see www.winnipeg.ca/cao/media/news/nr_2011/nr_20110415.stm).

FEATURE

The SAVE Act: Sensible Accounting to Value Energy Legislation includes Appraisal Policy

In the April issue of *Black Enterprise*, Sandra Adomatis discusses renovations, noting that energy-efficient homes could be worth more if certain legislation such as the SAVE Act is enacted, in the United States. “If lenders start considering the cost of energy, that’s going to make these energy-efficient homes more desirable and more affordable, and you’re going to see people willing to pay a little more up front in order to have that payback every month,” she said.

The SAVE Act: Sensible Accounting to Value Energy legislation also aims to accelerate the supply of and demand for energy-efficient new homes and consistently and accurately account for energy efficiency in appraisals, enabling builders and homeowners to include energy-saving features. Leadership in Energy and Environmental Design (LEED) certified homes and commercial buildings are increasingly being demanded by consumers and through legislation, also encouraged with discounts such as Envirowise, a 10% discount for LEED-certified dwellings from The Co-operators, the Canadian insurance company.

The SAVE website of the Institute for Market Transformation (IMT) lists a briefing, *Removing Impediments to Energy Efficiency from Mortgage Underwriting and Appraisal Policy*. “In determining value, residential appraisers rely almost exclusively on comparisons with similar properties recently sold in the area. Value can also be determined by considering cash flows associated with owning and occupying the building, including operating costs,” states the two-page briefing. “Under this method, energy efficiency should in theory be recognized as a factor enhancing value. In reality, however, residential appraisers rarely take account of reduced energy costs, for lack of time, tools, resources, expertise and incentive. The appraisers’ clients, including residential lenders, are also largely indifferent and uninformed about energy efficiency.”

The IMT also offers the seminars:

- Energy Efficiency & Its Effect on Property Value;
- Energy Efficiency & Commercial Property Value; and
- Green Buildings & Property Value.

Topics include analyzing potential for increased value using income, comparable and replacement cost approaches, exploring relationships among cost savings, lease terms and property values. Seminars are designed to improve the ability to recognize and evaluate cost-saving building operations and designs, including new advances in lighting, windows and HVAC technologies in office, retail and single and multifamily residential buildings. With energy efficiency costs that can vary by up to 400% between similar buildings, consideration of this key driver is critical to accurate valuation, leasing and sales decisions. One example is an appraisal showing a property’s unadjusted historical energy costs revised using seminar techniques. It shows that revisions increased valuation by more than 28% (a \$1-million increase). For seminar dates and venues, see www.imt.org/seminars.html#dates.

The IMT is a Washington, DC-based non-profit organization promoting energy efficiency, green building and environmental protection in the United States and abroad. Much of its work addresses market failures inhibiting investment in energy efficiency and sustainability in the building sector. See www.imt.org/save-act for various briefings, including the appraisal policy noted above.

QUOTABLE QUOTE

“ I can’t understand why people are frightened by new ideas. I’m frightened of old ones. ”

– John Cage

Resources: New & Noted

Dispute Advisory Panel – Rules of Practice

Public Works and Government Services Canada

The federal government's Dispute Advisory Panel (DAP) new rules of practice are in effect. Unless otherwise ordered, the new rules apply to all requests for review before the panel, whether the action commences before or after February 11, 2011. See the Government of Canada's Payments in Lieu of Taxes (PILT) website and DAP information at www.tpsgc-pwgsc.gc.ca/biens-property/peri-pilt/rgls-rls-eng.html.

City of Guelph Survey of Residents April 2011

Environics Research Group

This citizens' survey conducted for the City of Guelph found that the most important issues facing Guelph residents are high tax rates/increases (12%) and urban development/expansion (11%). When the city last conducted a survey of this size in 2008, taxation was also identified as the top issue. Five in 10 residents (51%) indicated that fees and taxes should be lowered even if it means a small reduction in services, compared to 37% who said inadequate services need to be improved even if it means a small tax increase. See http://guelph.ca/uploads/administration/SurveyofResidents_April152011.pdf.

Appraiser Survey: Values Stabilizing and Transactions Slowly Picking Up

Zelman and Associates

According to this survey, the overall demand for appraisal services grew in the first three months of 2011. On a 0 to 100 scale, the overall index registered 51.5, an improvement from 49.8 in fourth quarter 2010. On a 0 to 100 scale, multifamily assets were at 58.6 and industrial properties were at 51.4. While demand was described as slightly lower for apartments and smaller lodging and healthcare categories compared to the previous quarter, valuation demand for other non-residential and residential asset classes strengthened. Appraisers said approximately 25% of assignments were for new appraisals. The survey reflected comments from appraisers across the United States, with 83% third-party appraisers and 17% appraisers working at, or for, lenders. For the past six appraiser surveys, see www.zelmanassociates.com/Library.aspx?ParentID=52&ReportType=90.

Exceeding Expectations: Producing Appraisal Reports and Services That Delight Clients

By Scott Schafer

This overview of quality control principles, as applied to the appraisal profession, provides details of an internal quality control review process. It contains valuable pointers on verbal communication, active listening and effective writing, and tips

for gathering and using client feedback. (\$40 members, \$50 non-members; stock number 0742M)

www.appraisalinstitute.org/exceedingexpectations

The Valuation of Federally Subsidized Housing: Ten Questions for the Property Tax

By Joan Youngman

Complex federal incentives for private investment in low- and moderate-income housing have produced decades of judicial decisions on appropriate local tax treatments. This working paper includes an appendix with examples of cases and legislation addressing the taxation of subsidized rental housing in 40 states. (19 pages, Inventory ID WP11JY1)

Free download at www.lincolnninst.edu/pubs/1881_The-Valuation-of-Federally-Subsidized-Housing--Ten-Questions-for-the-Property-Tax

Property Taxation in Anglophone West Africa: Working Paper

By Samuel S. Jibao

Includes the Gambia, Ghana, Liberia, Nigeria and Sierra Leone. (87 pages)

www.lincolnninst.edu/pubs/1592_Property-Taxation-in-Anglophone-West-Africa

Property Taxation in Two Francophone Countries in Central and West Africa: Working Paper

By Nara Monkam

Includes information and case studies of Gabon and Senegal. In 2007, the Lincoln Institute and African Tax Institute of the University of Pretoria established a joint venture to analyze property tax systems to help improve Africa's policies. The research in more than 35 countries includes regional overviews of anglophone, francophone and lusophone (Portuguese-speaking) nations. Reports were prepared by research fellows from 11 African countries, who faced difficulties in data gathering, including dangerous travel. On a visit to Chad, one researcher was caught in a coup attempt that resulted in evacuation of the capital: he filed his report from a refugee camp in Cameroon. The 13 fellows form the nucleus of a network of researchers supporting a new degree program at the university in taxation and a summer course for African tax officials. (87 pages)

www.lincolnninst.edu/pubs/1598_Property-Taxation-in-Two-Francophone-Countries-in-Central-and-West-Africa

FEATURE

New User Fees Get Creative

Under the theory that non-residents pay more than locals for hunting and fishing licences to support recreation in certain states, a city suburb of Detroit is charging emergency services fees to non-residents who cause crashes. The fee is one of many ideas being considered by cities reluctant to raise taxes. Critics say such fees are “hostile” to visitors and constitute taxation without representation, or double taxation, because such drivers pay for roads and emergency services in their own communities. “We’re not out here trying to make additional revenue,” said Richard Haberman, Fraser city manager. “We’re just trying to cover costs.”

For an accident caused by a driver from out of town, the driver or the driver’s insurance company is billed by the hour – \$57.15 for police, \$43.75 for paramedic service and \$41.96 for public works. Many fees have been \$100 or less, with fewer than 25 drivers charged since the program began in February. Starting in July, New York City’s fire department plans to impose fees to residents and non-residents, with charges from \$365 to \$490, depending on the services. Insurance associations said most companies won’t cover such fees. One Michigan city and some cities in California scrapped their emergency response fees after bad publicity and lower revenues than expected.

According to the article “This Yellow Space for Rent” in the *New York Times*, marketing consultants are finding prime space and revenues as governments increasingly sell advertising rights to locations as diverse as public school cafeterias, school buses, prison holding areas, welfare offices and drivers’ licence waiting rooms. At least 14 states have or are enacting similar legislation; New Jersey approved school bus advertising in January. Districts with 250 buses can expect to generate some \$1 million over four years, according to one company that manages advertising on 3,000 buses in Texas and Arizona.

“Mandatory education laws are based on the idea that education is good for society, and is good for kids,” said Josh Golin, associate director of Campaign for a Commercial-Free Childhood. “That argument falls apart when you’re talking about mandatory exposure to advertising.” In one state, defence lawyers and bail bondsmen advertise to defendants in holding centres who see ads on high-definition television screens immediately after arrest, as commercials run on a loop along with the centre’s information. Those spaces have nearly sold out for 2011 and are expected to bring in \$8,000 to \$15,000 a year.

FEATURE

Bell corruption sure to be a feature film, featuring... property tax?

The Pulitzer Prize for Public Service journalism was awarded to two reporters at the *Los Angeles Times* for exposing corruption in Bell, California, a city with 38,867 residents (see *Focus*, October 2010, vol. 15, no. 10, p. 74, and www.pulitzer.org/citation/2011-Public-Service). After weeks of investigation, the reporters learned former city manager Robert Rizzo was paid an annual salary of nearly \$800,000; with lucrative vacation pay and other perks he gave himself, his annual compensation was some \$1.5 million. The assistant city manager received more than \$375,000 a year, and four of the five council members received approximately \$100,000 a year. City officials funded their “exorbitant salaries” by improperly raising property taxes, business licence fees and trash collection fees. The newspaper’s website noted: “All

county property owners pay 1% general property tax, along with special or direct assessments levied by their municipalities. The countywide average of all tax rates is 1.16%, or \$11.60 for every \$1,000 of assessed value.”

In September 2010, eight city officials were arrested and charged with numerous counts of fraud, misappropriation of public funds and falsification of public records. Those charged are awaiting trial. Residents of the city – where the average salary is \$40,556 (not including those former city officials) – paid the highest property tax rates of all but one of the 88 cities in Los Angeles County. See the chart at www.latimes.com/news/local/bell (Interactive > Property tax rates). Also see the office of the Los Angeles Auditor-Controller at <http://cmsapp.co.la.ca.us/auditor/tra.asp>.

Coast to Coast to Coast to Coast

USA (NB: All figures in US\$)

Texas

In the recent decision of *McLennan County Appraisal District v. American Housing Foundation, Waco Parkside Village, Ltd., and Waco Robinson Garden, Ltd.*, the Tenth Court of Appeals upheld the constitutionality of the 50% ad valorem tax exemption under Section 11.1825 of the Texas Tax Code as applied to tax-credit limited partnerships. Specifically, the court held that the owners of two affordable housing developments structured as limited partnerships that were 99.98% owned by a for-profit investor qualified as institutions “engaged primarily in public charitable functions,” for purposes of Article VIII, Section 2(a) of the Texas Constitution. Because the limited partnerships met this standard, court determined that there was no constitutional bar to the ability of the limited partnerships to qualify for the exemption.

New Jersey

The New York Giants may pass off millions of dollars in taxes to the state if the New Jersey Sports and Exposition Authority (NJSEA) loses a complex court battle for leased space in the Timex training facility constructed near the 750-acre [300-ha] Meadowlands Sports Complex. Mayor James Cassella wants the Giants to pay taxes if **East Rutherford** wins, with borough officials saying they might go after all other privately owned facilities on state land. “We just want them to pay their fair share,” Cassella said. The facility was assessed at approximately \$100 million, and taxes would be approximately \$1.5 million annually. Since 2010, the borough has been in a court case with a state agency, football team and the Giants training facility as plaintiffs, over whether the 360,000-square-foot [32,400 m²], state-of-the-art facility should be taxed or subject to a PILT.

“The NJSEA already pays 21% of the borough’s tax levy,” said NJSEA attorney Carl Rizzo, noting the NJSEA’s annual \$6.5 million in PILT payments for the whole complex. Rizzo argued that although the public does not have access to the Timex facility, its existence results in “public use.” But attorney Stephen Sinisi, on behalf of East Rutherford, said the NJSEA specifically agreed that East Rutherford could tax any private entity/developer, such as the Giants, for any new private facility. “The Giants are very much a for-profit entity ... and this facility is not for public events,” he said.

The old Meadowlands Complex was initially constructed in the early 1970s, and in March 2007, the NJSEA adopted a master plan including demolition of the old stadium, construction of a 82,000-seat new stadium, training facility, tailgate zones and some 520,000 square feet [46,800 m²]

of leasable space. A 39-year lease agreement between the NJSEA and the Giants was signed, with extension renewal periods of 174 months each. The Giants currently pay \$5 million to the NJSEA for the ground lease of the new stadium and Timex facility, and \$1.3 million towards PILT fees; the NJSEA gives the borough \$6.3 million in annual PILT fees for the entire sports complex. Property tax payment obligations to the landlord and state for leased facilities are at question, with lease documents stating, “The landlord acknowledges that it is assumed that the premises and facility shall remain fully exempt from payment of property taxes during the term. In the event that any property taxes are assessed against the premises or any tenant’s property interests or rights, tenant shall have no obligations to pay such property taxes and landlord shall be solely responsible for the payment of all property taxes,” according to Article 2.2.b, as cited in legal documents.

The judge limited the hearing to the issue of whether a tax exemption should apply; if an exemption is applicable, the assessment figure would be argued at a later date. The borough first issued a \$745,000 tax bill for third quarter 2010, following an assessment in July 2010, after the Timex construction completion in July 2009 and a boroughwide, court-ordered revaluation. The NJSEA, Giants Training Facility and New York Football Giants responded with civil action complaints in tax court. Cassella added that the ground lease between the state and the NFL team was a “ridiculous agreement.” “How the state allowed it to happen is beyond me,” Cassella said.

While awaiting the judgment, and as PILT fees from the NJSEA have been delayed, East Rutherford might issue \$14.4 million in tax anticipation notes for 2011, at an interest rate of less than 1%. The last time the borough issued tax anticipation notes was 17 years ago. Councilman Joel Brizzi said, “Issuing tax anticipation notes is like going to your mother-in-law saying ‘I’ve got a bonus coming; can you give me a loan so I can pay my taxes?’”

Canada

A recent increase in provincial grant money for rural homeowners will help **Comox** homeowners with a \$200 top-up to the Northern and Rural Home Owner Grant, now worth \$770 per household. Comox’s residential taxes were to rise 3.62%.

Ashcroft will include a 22% tax increase in its Five Year Financial Plan, with a 2% increase for all assessment categories, plus a 20% tax increase for all assessment classifications to fund capital projects. Funds raised under this levy will be transferred to the Capital Works Reserve Fund each year and require a motion from council or inclusion in the Five Year Financial Plan for removal.

Alberta

Rocky View County council approved the 2011 tax rate at 3%. See www.rockyview.ca.

The Regional Municipality of **Wood Buffalo** agreed to suspend property taxes and utility charges for residents of a seven-building condominium complex in **Fort McMurray**. The municipality also waived the \$17,000 bill for emergency services and personnel when some 300 residents were forced out in an emergency evacuation in March after an engineer deemed the buildings structurally unsafe. The condo association is suing the builder and municipality, also organizing a separate class-action lawsuit for losses incurred including wages, rent, clothes and vacation cancellation costs. The buildings were reinforced, and residents were allowed to retrieve the rest of their belongings as of May 3.

St. Albert council approved the tax rates for 2011 at 7.3158 for residential and 12.2957 for non-residential, resulting in municipal tax increases of 3.24% and 3.31%, respectively.

Ontario

(Note: Acronym MPAC is Municipal Property Assessment Corporation)

A series of articles in the *Toronto Star* analyzed data, showing that in some parts of the **Greater Toronto Area** (GTA), house values soared more than 20% while homes in other areas stagnated since the properties were last assessed in 2008. The biggest value changes were in Toronto's condominiums and bungalows, up more than 25% in some areas. Using data for which the newspaper paid MPAC \$2,500, the *Star* compared the price of homes sold in 2010 with MPAC's assessed values in 2008. The analysis shows that, on average, Toronto houses rose 15% above assessed value, while those in the rest of the GTA rose 13%. For interactive charts, see www.thestar.com/news/article/974790--what-your-home-is-really-worth.

Kenora council approved the 2011 municipal budget as presented during committee of the whole, April 11. The \$44-million budget includes a 1.61% tax rate increase this year to raise \$20.6 million from property owners, nearly \$1 million more than in 2010.

Greater Sudbury is set to collect \$205 million in property taxes this year, with its policy committee voting to shift the tax ratio system so that the residential class will not pay more than the approved 3.5% tax increase, said Ed Stankiewicz, manager of financial planning and policy. Presenting three options, he recommended the option to "adopt revenue-neutral tax ratios and pass 50% (maximum allowed) of the levy increase to commercial and industrial properties," which provides for more business properties paying their true current value assessment taxes.

The Ontario Energy and Property Tax Credit – based on adjusted net income and the amount of rent or property tax paid for a principal residence for 2010 – allows up to \$900 for 2010 to help with sales tax on energy and property taxes, with

qualifying seniors receiving up to \$1,025. For 2011, the credit will be combined with the Northern Ontario Energy Credit for eligible Ontarians living in designated northern districts. See www.rev.gov.on.ca/en/credit/oeptc/index.html.

Orillia's council decided that consultants and lawyers should be hired only after city staff have done all they can to resolve matters at the Ontario Municipal Board (OMB). City staff are to "assume a lead role" in hearings and negotiations regarding appeals to the city's official plan, not hiring a law firm "to facilitate any potential settlement negotiations" and to not hire consultants to be part of the hearings "in defence of the city's official plan." For various cited reasons, "the first attempt should be made by staff to reach a negotiated settlement before that happens, and report back to council," said Coun. Michael Fogarty. "It's a matter of motivation and somewhat a matter of optics. It's about building bridges rather than lawyering up immediately."

New Brunswick

A two-year cap on assessments cut the number of appeals received by Service New Brunswick by nearly 40% to 5,300 this year, from 8,600 in 2010. Of the 8,600 requests last year, 60% were reduced. Local Government Minister Bruce Fitch remains confident that a lasting solution will emerge from his provincewide public consultation tour on municipal governance, which will include discussions on property assessments and taxation. Mount Allison University political science professor Geoff Martin, also former deputy mayor of Sackville, said, "It might be a political death sentence for a government to really take the bull by the horns on this issue, particularly in terms of dealing with the question of rural New Brunswick and Local Service Districts." Martin is also the former vice-president of the Union of Municipalities of New Brunswick. Moving to a system of regional municipalities – recommended in the Jean-Guy Finn report on local governance – would likely increase property taxes in rural areas, he said, noting that homeowners in Local Service Districts have enjoyed artificially lower property taxes compared to municipalities. Kevin Lacey, Atlantic director for the Canadian Taxpayers Federation, said the cap should become permanent. "Any tax hikes should be put to a vote because it forces politicians to justify why they need more money," he said.

Nova Scotia

The Cape Breton municipality of Richmond has been forced to write off nearly \$500,000 in unpaid taxes from a bankrupt company that closed in June 2008 and filed for bankruptcy a month later. Federal Gypsum owes creditors \$32 million, and while the county filed a claim, chief administrative officer Warren Olsen said he is not optimistic the county will see any of the money. With the county's operating budget of some \$12 million, he said the loss of half a million dollars is a big hit.

Foreign Affairs

Nepal

The need to adopt and follow a consistent property valuation approach and to develop trained property valuers was emphasized by stakeholders in the Valuation Practice in International Standard workshop organized by Nepal Land and Housing Developers Association (NLHDA) and Brihat Investments. “The housing and realty sector needs professional and educated property valuers so that the valuation becomes reliable and consistent,” said Om Rajbhandary, president of Brihat Investment and vice-president of NLHDA. He stressed the need for ethical practice by valuers, adding that the workshop will help determine the kind of valuation approach suitable for Nepal. At present, property valuation is undertaken only to access bank loans, and a cost approach is used.

France

An article at French Entrée explains local property taxes – the *taxe foncière* and the *taxe d’habitation*. David Franks, Chief Executive of Blevins Franks, writes that plans to increase local taxes were announced months ago and, according to a survey by the forum for the management of local authorities, the average tax increase was expected to be 6.2%. The *taxe d’habitation* is a local and county residence tax for local services, paid by a property’s occupiers or the owner, if the property is a second home or is rented out on a short-term basis. It is based on a notional rental value multiplied by the local tax rate, with rental value assessed by the land registry (cadastre) where notification of improvements or changes must be declared.

The *taxe foncière* is a land tax, paid by the owner of the property divided into a tax on buildings and a tax on the land, regardless of whether it is habitable. Both taxes are paid by residents and non-residents and are often higher on second homes, with a combined total generally from €200 to more than €2,000, depending on the area and size of the property. Survey results showed that the greatest increase to the *taxe d’habitation* was in Nice, where the tax has risen by 17.7%, with the biggest *taxe foncière* increase in Paris, up by 47%. Both taxes have varying degrees of discounts and exemptions based on age, income and certain purposes, such as farming. New buildings and renovated properties used as the main home are exempt from the *taxe foncière* for the first two years after construction, with special tax forms filed with local tax authorities. See www.frenchentree.com/fe-legal/DisplayArticle.asp?ID=41113.

Quirky but true...

A California property sale for \$100 million has become the most ever paid for a single-family home in the United States. The Los Altos Hills home was purchased by Russian billionaire Yuri Milner, founder of Digital Sky Technologies and an investor in Facebook, Groupon and Zynga. According to Santa Clara County assessor records, the property is assessed at \$25.7 million with a current yearly tax bill – for 17 acres [6.8 ha], including a 25,500-square-foot [2,295 m²] main house and a 5,500-square-foot [495 m²] guest house – of approximately \$304,000.

Bradley Marsh, an attorney in Winston & Strawn’s San Francisco office, focuses his tax practice on controversial matters. Quoted in a *San Francisco Chronicle* article about the sale, Marsh said that Milner would pay at least \$1.1 million a year in property taxes and special assessments, “unless he tries to appeal it, saying it’s not worth what he paid.” A few years ago, Oracle chief Larry Ellison was successful in lowering his assessed value by \$100 million for his Japanese-style estate, claiming it wasn’t worth the \$200 million plus he put into it because it was “functionally obsolete.”

See www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/03/31/BUH21INM5M.DTL. Also see www.winston.com/index.cfm?contentid=30&itemid=3361.

WORK WORD

regret, *n.* Old English word for sorrow, weeping and lamentations, but not, alas, contrition. The sincerest form of non-apology permitted by the legal department. Make that “deep regret” if the matter has reached the press, and “profound regret” if it is before the courts.

From *A Devil’s Dictionary of Business Jargon*
by David Olive

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Transitions

Michele Peach, CA was appointed Chief Administrative Officer for the City of Mount Pearl, NL. She previously was the city's Director of Corporate Services and was an Audit Manager with the Provincial Office of the Auditor General for 15 years before working in local government.

Richard Bird was appointed Adjunct Professor at the Australian School of Taxation, University of New South Wales.

In New Brunswick, **Scott Hatcher** is the new Chief Administrative Officer in the Town of Sussex.

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A FOCUS Publication
Twelve issues per year
ISSN 0711-0599 Printed in Canada

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