

FOCUS & MUNICIPAL ASSESSMENT TAXATION

CASES, COMMENTARY, NEWS AND BEST PRACTICES • NOVEMBER 2011, VOLUME 16 • NUMBER 11

FEATURE

In addition to protests, Keystone pipeline gets attention for tax exemptions

With public protests and emotional testimony, the \$7-billion Keystone XL issue increased its presence in hearings with US State Department officials for approval or rejection of the 2,700-kilometre [1,620-mile] pipeline to run from northern Alberta through six states to the Gulf Coast of Texas. In Keystone sessions held over two weeks, the focus shifted to the environment and whether the pipeline is in the best interest of the United States. There was little opposition in the three years – and three environmental reviews – after TransCanada first applied for a permit to build it, completing an earlier US phase in 2010. Prime Minister Stephen Harper called its approval an “absolute no-brainer” and added that “most governments, most elected people, most businesses, most unions, most economic interests in the United States understand that the United States has a tremendous need for energy”

In 2010, Keystone TransCanada Pipeline applied for an ad valorem property tax exemption of the pipeline through six counties, requesting it be exempt during construction and 10 years thereafter (2011–2020). The company estimated that it would spend some \$750,000 in construction and \$125,000 in related expenses on approximately 336 kilometres [210 mi] of the pipeline in Kansas. Keystone had applied for the exemption based on the 2006 legislation, the Kansas *Energy Development Act*. In August 2011, company spokesperson Jim Prescott said almost \$481 million had been invested in Kansas for the first two phases, with Dickinson County Commissioner Sheila Biggs saying her county received some \$40,000 in taxes only because it was a point of delivery, and Commissioner Jerry Mayo saying Clay County received only \$10,000 in taxes attributable to the pipeline. According to the Clay Center Dispatch online, officials said “there are millions more the pipeline would have paid in property taxes had the Kansas Legislature not granted them an exemption.” Mayo said TransCanada will submit a request for a summary judgment of the denial of the exemption by PVD to the Court of Tax Appeals by January 7, 2012. PVD must respond to that request within 30 days. A hearing is tentatively set before the Court of Tax Appeals on March 7, 2012.

Although allowed to file an amicus brief, Clay County and the five other counties through which the pipeline will run were denied a petition for intervention by the Court of Tax Appeals. “Despite the total lack of statutory authority for the Property Valuation Division (PVD) to address issues of exemption, the court found that this exemption matter is the same as a valuation matter,” said Carol Bonebrake, the attorney representing the counties. Bonebrake said the court relied heavily on *Board of County Commissioners of Meade County v. Director of Property Valuation*, a case in which two counties tried to appeal the PVD certification of value after it decided certain pipelines were entitled to be exempt of its merchants and manufacturers’ inventory. The counties appealed the certification; the appeal was dismissed and then sent to the Court of Appeals, which determined the counties could not appeal under KSA 74-2438 because that was a taxpayer relief statute. The Keystone exemption application relies on KSA 79-213, which does not mention PVD. (August 2011: KDOR-PVD, 2010-8538-PVX, PVD ID No. F3202, TransCanada Keystone Pipeline, L.P. See www.kansas.gov/cota.)

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FEATURE

Why buy insurance if there's provincial relief?

Not including the \$290 million in relief for Slave Lake, **Alberta** seems to be “in danger of becoming a de facto insurance company cleaning up after disasters” that cost the government roughly \$450 million a year, wrote Graham Thomson in the *Edmonton Journal*. In addition, \$700 million will be spent by the insurance industry on rebuilding. Watson writes that some officials “are worried the generosity may set an expensive precedent,” although “nobody wants to look like a cold-hearted calculator in the face of human tragedy.” With more extreme weather events in the past few years, Infrastructure Minister Ray Danyluk has tried to convince municipalities to limit construction on flood plains, and scientists who study forests and the climate say the fire is “a billion-dollar wakeup call,” as does the Insurance Bureau of Canada. “We are looking at it from a changing weather-pattern perspective,” said Robert Tremblay, the bureau’s director of research. Just two days before the Slave Lake fire, scientists gathered in South Africa for an international conference on wildfires and discussed the increase of large-scale fires.

A volunteer fire department in central **British Columbia** says residents who haven’t paid an annual fee – approximately 15% of the local population – won’t be responded to if their house catches fire. The Watch Lake–North Green Lake Volunteer Fire Department charges a \$160 fee for developed properties to the 532 properties in their service area (undeveloped properties are \$90 a year). All funds go to running the volunteer fire department, said Roy Allan, president of the department’s board of directors, adding that firefighters will save people and animals on the sites, as well as surrounding property and forest areas. Allan said firefighters will put out a blaze for non-members if they sign a consent form and pay \$1,000 an hour to the department. “Some people, it’s just the recreational cabin. It’s old furniture and that sort of thing, so if it burns up, ‘so what?’ They don’t really care,” he said. “They aren’t thinking of their fellow community members who are risking their lives to fight the fire.” Other independent fire departments in the region have given similar ultimatums, and all property owners have been notified of the new policy.

Property Claims Services Canada made a preliminary estimate of insurable damage from August’s tornado in Goderich, **Ontario** at \$75 million that Mayor Deb Shewfelt believes is low. The estimate said thousands of claims have been filed for homes, businesses and vehicles destroyed by the tornado and large hail.

Manitoba’s Provincial Property Tax Relief Program is available to property owners with significant damage from 2011 flooding, also acknowledging the loss of value through normal assessment reduction and tax reduction processes for

municipalities. The province will pay 2011 municipal and school taxes for the period starting from when properties were damaged to the end of the year. Municipalities are identifying properties that qualify and have been damaged to a degree that value has been substantially reduced. All property may be eligible, including permanent residences, farm property and seasonal residences, but unseeded farmland does not qualify. In those cases, the Manitoba Excess Moisture Assistance Program will assist and should the land value be permanently reduced, it may qualify for tax relief. See www.gov.mb.ca/ia/taxrelief.

Quirky but true...

A comic book on land tax and its cadastre department published by Brazil’s Ministério das Cidades (Ministry of Cities) has proven to be widely popular with the public and municipalities. *Zeca Dastro e as Diretrizes para o Cadastro Territorial Multifinalitário* (Zeca Dastro and Guidelines for the Multipurpose Territorial Cadastre) is available in Spanish and Portuguese.

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Published with the Lincoln Institute of Land Policy, the booklet illustrates typical situations that department employees face in implementing new land information systems. Some 5,000 copies have been distributed, the content showing common scenarios of cadastre including better citizen involvement, said Martim Smolka, director of the Lincoln’s Program on Latin America and the Caribbean.

“The situations really come to life in this format, in a readable, attractive and compelling way, for what can be very technical material.” Similar booklets will be released on property tax, building rights and value capture.

For the Spanish version, see www.cidades.gov.br, enter “Zeca Dastro” in the search box at the top right and scroll down for the booklet. Click to the Publicações page and scroll down again. For the original Portuguese version, see www.lincolninst.edu and enter “Zeca Dastro” in the search box.

PILT: Payment in Lieu of Taxes Roundup

An agreement between the city and **Yonkers** Raceway calls for the racetrack to make \$3.9 million in annual payments with periodic adjustments through 2025, paying the city \$3.1 million on December 31 and more than \$3.9 million in subsequent years under a new PILT agreement. New York state's Yonkers Industrial Development Agency agreement allows for increases every five years in the 2015/16 and 2020/21 fiscal years, based on the city's mil rate. Financial incentives include a \$1.8-million mortgage tax exemption for the \$40-million raceway expansion of new gaming tables, restaurants and office space.

A Hampton Inn will be constructed in **Niagara Falls**, New York after the Niagara County Industrial Development Agency approved a \$6.2-million project with a 10-year PILT including an exemption from paying sales tax on building materials and furnishings, estimated at \$1.32 million.

Now in effect: **New York** State Bill Number S5872, An Act to Amend the Real Property Tax Law in relation to PILT agreements by adding a new section 370. This bill requires businesses that make PILTs to local governments and school districts to spread the negative impact of a reassessment over a 10-year phase-out period if the reduction would constitute 5% or more of total revenue. The state says such a phase-out would allow for planning and budgeting decisions and lessen the impact on the taxpayer. See <http://open.nysenate.gov/legislation/bill/S5872-2011>.

As a condition of the Conditional Use Permit granted by **Ogle County**, Illinois in considering effects to roadways, property values and the economy, applicants agree to make PILT payments to the county for hosting a wind turbine facility. Current law (35 ILCS 200/10-600 et seq.) provides a formula for determining the assessment of a wind energy device with a capacity of at least 0.5 megawatts, such as proposed in the county. The law includes provisions for adjusting the assessment level based on depreciation, functional obsolescence and other factors, with a sunset provision effective in 2011. The applicant agrees and guarantees the county will not receive less tax revenue in any year than the county would have received for the first year of operation, based on the formula and computations provided on the date of granting the permit. Such payment shall continue each year for as long as any wind turbine proposed under the current application is operational and disbursed by the county to taxing districts. The obligation on the applicant shall be a condition that runs with the land and binds successors. If revenue to Ogle County from a substitute or replacement of the real property tax would exceed the payment existing at execution of the agreement, the county is entitled to the higher tax revenue under the substitute or replacement real property tax. See www.countyoflee.org/zoning/Agr%20in%20lieu%20of%20taxes.pdf.

Foreign Affairs

South Africa

Land Reform Minister Gugile Nkwinti said, "We think there is something drastically wrong with valuation methods in South Africa," speaking to delegates at the Food and Allied Workers Union national congress. The Office of the Valuer General, proposed in a green paper on land reform, was intended to fix this problem. Nkwinti said that inflated valuations go "somewhere between the buyer and the seller estate agents, fraudsters" and that valuers are not taking all determinants into account. "The most junior staff are handling valuations; [they] are dealing with lawyers, hard-core lawyers who want money."

India

To put pressure on defaulters, the Greater Hyderabad Municipal Corporation (GHMC) posted the names of the top 1,000 property tax defaulters on its website. The list includes private firms, individuals, government departments and public sector schools, colleges and places of worship, with some INR1.49 billion owing to the GHMC. Hyderabad Asbestos Cement Pro leads the list with arrears of INR189.6 million.

Guam

Guam's senators approved an amendment to an amendment requiring that Guam Power Authority's annual \$875,000 PILT fee be turned over to the Chamorro Land Trust Commission (CLTC). If it is signed into law, the fee would pay for the CLTC lease. The PILT fee is required under a 12-year-old law but was never collected until this year, when the government began looking for ways to raise revenues without imposing new taxes.

QUOTABLE QUOTE

“Politicians say more taxes will solve everything... .”

— “Ball of Confusion,” The Temptations
(Norman Jesse Whitfield & Barrett Strong, 1970)

FEATURE

CBC investigation finds property values lowered and health effects near wind turbines

A CBC News investigation found that Ontario residents living near wind turbines are indeed subject to lower property values and are unable to sell their homes. Governments and the wind energy industry maintain that turbines have no adverse effects on property values, health or the environment. Acknowledging a lack of peer-reviewed studies in Ontario, Robert Hornung of the Canadian Wind Energy Association (CanWEA) said it commissioned a study of the Chatham-Kent area but found no evidence of any impact on property values. However, Ron VandenBussche, a realtor for 38 years, said wind turbines reduce the pool of interested buyers and ultimately the price of properties. One owner said she felt “fortunate” to have sold her 2-acre [0.8-ha] waterfront property, listed at \$270,000, for \$175,000 to someone who wanted to grow marijuana for legal uses. The seller added that she was required to disclose her turbine-related health issues, otherwise she could be sued if the purchaser also were to have health problems in the future.

Realtor Chris Luxemburger, president of the Brampton Real Estate Board, examined listings and sales figures for the Melancthon-Amaranth area, home to 133 turbines in the province’s first and largest industrial wind farm. He found that homes inside the windmill zones sold for less and took longer to sell than homes outside the zones – on average (from 2007 to 2010) between 20% and 40% less than comparable properties. CBC News also learned that one bank in the area does not allow lines of credit to be secured by homes situated near turbines. In a letter to one family, a bank representative wrote, “we find your property a high risk and its future marketability may be jeopardized.”

Land registry documents obtained by CBC show that some property owners who complained about noise and health issues and threatened legal action were bought out by turbine companies, such as Canadian Hydro Developers. The company bought out four different owners and wrote off more than \$500,000 in losses. It subsequently resold the four properties for significantly less, with buyers required to sign agreements acknowledging that the turbines may affect buyers’ “living environment.” Canadian Hydro Developers also stated it would not be responsible or liable for “complaints, claims, demands, suits, actions or causes of action of every kind known or unknown which may arise directly or indirectly from the Transferee’s wind turbine facilities.” The energy company admitted that impacts may include “heat, sound, vibration, shadow flickering of light, noise (including grey noise) or any other adverse effect or combination thereof resulting directly or indirectly from the operation.”

In February 2011, before an environmental review tribunal, Environment Ministry lawyer Frederika Rotter said homeowners “may not like the noise, they may think the noise makes them sick, but really what makes them sick is just the windmills being on the land because it does impact their property values.” A spokesperson for the Ministry of Municipal Affairs and Housing told CBC the ministry had no studies or information about the potential impact that wind turbines are having on property values. CBC documented one household in Melancthon that had been awarded a 50% reduction in property tax because the house was next to a turbine transformer station.

A CBC website poll asked: “Would you live near wind turbines?”

Of 3,017 votes:

Yes	28.14% (849 votes)
No	68.05% (2,053 votes)
Don’t know	3.81% (115 votes)

CanWEA predicts approximately 1,338 MW of new wind energy capacity in 2011, totalling more than 5,300 MW of installed wind energy capacity. In Ontario, more than 500 MW is projected by year end, with more than \$16 billion in private sector investment in the next eight years. Seven other Canadian provinces have projects: British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick and Nova Scotia. The report, *The Economic Impacts of the Wind Energy Sector in Ontario 2011–2018*, also quantifies economic benefits, such as some \$1.1 billion in revenues to Ontario municipalities and landowners in taxes and lease payments over the projects’ 20-year lifespan. See www.canwea.ca/farms/index_e.php.

Apropos...

Closing arguments heard in property reassessment due to wind turbines

Closing arguments were made at Ontario's Assessment Review Board (ARB) by a **Wolfe Island** couple to have their assessment lowered because of nearby wind turbines. Ed and Gail Kenney argued that their \$357,000 assessment was too high because of wind turbines installed within 3 kilometres [1.8 mi] of their home, requesting a \$74,000 reduction to \$283,000, the value determined by a Kingston realtor. The couple had hoped to call an expert witness, but the two-person Municipal Property Assessment Corporation (MPAC) panel said the retired Queen's University physics professor's testimony would have been too theoretical.

"What we really need is if you have any evidence as to how the [turbine] noise affects the value of your property," said panel chair Susan Mather. Tony Fleming, the lawyer representing the township, said it was beyond the jurisdiction of the board to hear evidence disputing established government guidelines for turbine noise levels. Mather agreed, adding, "This is of no assistance to the tribunal to determine the assessment."

Ed Kenney also said there were errors in a report by a Kingston assessor submitted as evidence in May showing that property values on the island have not declined since the wind turbines were built. The Kenneys said MPAC compared properties that were too different to make a fair comparison and that the three properties that were sold "had been advertised for long periods of time and they

sold at sizable losses." Fleming said there were errors in the report but its conclusions were still valid.

MPAC said its recent studies and similar ones in the United States do not show that home values are negatively affected. "When wind turbines first started to emerge on the horizon in Ontario ... we looked at the sales of the properties in proximity to wind turbines to see whether or not we see a trend," said Rose McLean, MPAC's director of legal and policy support. "And so far we haven't seen that." She added that neither have other jurisdictions in Canada. Since early 2010, MPAC reviewed the sales of 20 properties near wind farm projects and found no lowering of value, but this total does not include homes that were not sold or had lingered on the market.

Opponents claim that large-scale industrial wind projects are placed too close to residences and are harmful to wildlife and human health, and that property values are in a free fall, said John Laforet of Wind Concerns Ontario, a coalition of 58 citizen groups (<http://windconcernsontario.wordpress.com>). On its website, the group said that the issue might have cost the Ontario Liberals 10 seats in the recent election – almost all in rural Ontario – that had been targeted by the coalition.

MPAC has twice offered to settle the case, and although the Kenneys said they would welcome the end of the costly 30-month battle, MPAC and the Township of Frontenac Islands insisted on no reference to wind turbines in the offer.

Wolfe Island is in Lake Ontario near Kingston. It can be reached by ferry from Kingston, and from May to October from Cape Vincent, New York.

WORK WORD

reputational capital, *n.* Term used in the CSR movement (corporate social responsibility) for a company's accumulated goodwill arising from exemplary treatment of stakeholders. Useful in offsetting the fallout from chemical spills, product liability debacles and other outbreaks of antisocial behaviour.

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

Calendar

74th Annual Dinner

Tax Foundation

6 p.m., November 17, 2011

Washington, DC

www.taxfoundation.org/events/show/67.html

Annual Convention

Association of Manitoba Municipalities

November 21 to 24, 2011

Brandon, MB

www.amm.mb.ca/events_convention.html

6th Annual Municipal Communications Conference

November 28 to 30, 2011

Toronto, ON

1-866-869-7969

register@summersdirect.com

Coast to Coast to Coast to Coast

Canada

Donald Savoie, Canada Research Chair in Public Administration and Governance at l'Université de Moncton, said that **there must be an open and transparent debate about public sector compensation** and that “books must be open completely” for municipal managerial pay scales. “The perception is that public sector managers have an easier go and are better compensated, including Canada’s pension plan,” he said. Charles Cirtwill, president and CEO of the Atlantic Institute for Market Studies, said, “When you go through the public sector exercise, not only do you usually get a job for life, there are way more fringe benefits, more time off, and so on. ... Not many people realize how good a deal they get.” Cirtwill said this also takes a toll on taxpayers: “So not only are we paying the taxes to pay these people, they are competing with private sector viability, which doesn’t take our taxes.”

Alberta

Mayor Naheed Nenshi said that **Calgary** taxpayers send \$4 billion more per year to the province than the city receives back. On a tour of eastern Canada to promote Calgary, Nenshi said that property tax is an outdated way for cities to raise revenues, and that policy changes are necessary if cities are to help Canada in economic recovery. “We’ve come to a reckoning,” Nenshi told Canadian Press. “The property tax system is horribly broken. As baby boomers age it will become more horribly broken. ... it’s time for the federal and provincial governments to really understand that we’ve got to fix it because it is cities that will pull us out of the economic doldrums that we’re in.”

Ontario

(Note: Acronym MPAC is Municipal Property Assessment Corporation)
The **Association of Municipalities of Ontario** (AMO) said it will work with Ontario’s re-elected Liberal government on key municipal priorities. The most pressing of the 12 priorities is the upload of provincial social services and court costs that AMO negotiated with the government in 2008. Premier-elect Dalton McGuinty promised to deliver on this and other commitments, including protecting the municipal property tax base from new downloaded costs; providing permanent Provincial Gas Tax revenue (at least \$318 million annually) for transit; avoiding caps on property assessment or taxation; and introducing insurance reform that limits municipal liability and protects taxpayers (see feature, “Why buy insurance?” in this issue of *Focus*, page 82).

The City of **Greater Sudbury** wrote off the \$182,000

in back taxes and \$81,000 in penalties and interest of the Samaritan Centre. The building is owned by the non-profit New Hope Outreach Services Inc. and is home to four community-based charities for homeless and low-income individuals. In 2004, MPAC determined that the property should be classed as residential and valued it at \$1.46 million, adding it to the city tax rolls in August 2005. New Hope assumed it was property tax exempt, as did city staff, but the centre does not receive government funding. The Samaritan Centre approached the city last year asking for \$50,362 for security and custodial services; council agreed to a donation of \$27,000 to offset a year of taxes. The centre is now exempt as long as the city provides funding. If so, “a review of the property’s exemption status may be undertaken to ensure that the exemption criteria of the Assessment Act is being met,” noted a city report. Councillors also agreed to write off the outstanding property taxes and fines.

Toronto taxpayers paid out more than \$7 million last year to the city’s top overtime workers. Councillor Denzil Minnan-Wong obtained a list for each department through a freedom-of-information request. “Some of these [overtime] numbers are pretty astonishing,” he said. One Emergency Medical Services employee billed more than \$113,000 for 1,474 overtime hours. A Toronto Water employee billed more than 1,000 overtime hours, and Technical Services’ top 25 racked up \$655,000 in overtime. “If public safety or public health is at risk, those are circumstances where overtime would be justified.” As chair of the public works committee, Minnan-Wong had vowed a thorough examination of solid waste and technical services costs: the top 25 overtime collectors in solid waste made \$448,332. “We have to be really careful about how we spend taxpayers’ money, and when they see these numbers it doesn’t give them a lot of confidence,” said Minnan-Wong. Wynna Brown, a City of Toronto spokesperson, stressed that the city does have policies to manage overtime and noted the G20 summit had a “significant impact.”

Speakers at a **Toronto** meeting asked councillors to hike taxes, with councillors then asking the city manager investigate whether the city could add a “voluntary contribution option” to future property tax bills.

Woodstock city council renegotiated an agreement with the Woodstock Soccer Club to have the \$5-million Cowan Park complex designated as the Municipal Capital Facility. The city’s agreement meant the 20-hectare [50-acre] facility would not have to pay the approximately \$92,000 in property taxes. In May 2010, the club was granted use of the city-owned land and buildings and made responsible for its administration and maintenance, to be “primarily used for local community activities.”

Newfoundland & Labrador

The City of **St. John's** cannot collect taxes for properties such as the Confederation Building, but it still must provide municipal services – and although the province provides operating grants worth approximately \$3 million, the city pays \$11.5 in provincial taxes, including HST and payroll taxes. So, the city tabled a proposal that would yield revenues of some \$22 million per year, with Mayor Dennis O'Keefe saying he doesn't expect the city to get everything it wants. "All of this economic activity is a benefit to the region and the province. But the cost is being shouldered by the people who live in this city and who do business here," he said. Otherwise, property taxes by homeowners and businesses will have to rise "sharply."

USA (NB: All figures in US\$)

The **Federal Housing Administration** delayed adoption of the new Uniform Appraisal Dataset forms to January 1, 2012, with Fannie Mae and Freddie Mac adopting the forms September 1, 2011.

Wisconsin

Citing economic conditions, depressed real estate and comparable sales, Kimberly-Clark Corp. filed a new property assessment challenge for offices, a research and development complex and a manufacturing facility, from a total of \$59.2 million to \$27.9 million. **Menasha** officials filed an appeal to the state Board of Assessors. "These are just ridiculous appeals," said town chairman Dale Youngquist. A year ago, the company attempted to reduce its \$45.6-million assessed value of non-manufacturing facilities by half, for a reduction of \$112,000 in property tax. The board had upheld the 2010 values, and the company filed an appeal to the Tax Appeals Commission (pending). Last spring, the company completed a \$9-million addition to the plant where its Depend line of adult diapers are produced.

Colorado

To streamline appeals by allowing commercial and vacant land owners to bypass its board and go straight to a higher-level state appeals board, **Arapahoe County** is denying requests from commercial and vacant land owners who use an attorney. The move also allows the county to save some \$25,000 by reducing the hours for a referee to listen to appeals. Assistant County Attorney George Rosenberg said he doesn't believe anyone is being denied the right to appeal, because dissatisfied property owners could have met with the county assessor and can still approach the state Board of Assessment Appeals. County spokesperson Andrea Rasizer said, "When you look historically at how many of these cases have moved on to the state board of appeal and have request-

ed that they get an administrative denial, they thought it was the best use of Arapahoe County taxpayers' dollars."

Illinois

Some landlords are taking advantage of a provision in the tax code that lowers assessments by using a homestead exemption that reduces assessment by \$6,000. In **Rantoul Township**, the retirement community Prairie Village has claimed so many homestead and senior exemptions that "it more than offsets their entire assessment," said Gary Crane, the township's assessor. With a value of \$2.2 million, Prairie Village has not paid any property taxes on its main property. "I think it goes beyond the legislative intent," said Stan Jenkins, supervisor of assessment for Champaign County, where 1,520 single-family homes are rented in which property owners have filed for the homestead exemption. Each property's assessment is reduced by \$6,000, bringing the total amount of reduced assessment to \$9.1 million. When that figure is multiplied by an average tax rate of 8%, the amount that did not go to county taxing bodies is nearly \$730,000. The Illinois Property Tax Code states that the residential exemption is for properties "occupied as the principal dwelling place of the owner, or a lessee with a legal or equitable interest in the property with a single-family residence, who is liable for the payment of the property taxes on the leased property." Some landlords say the exemption is passed on to tenants, with some agreements stating the tenant is liable for paying real estate taxes through monthly rent. Owners of multi-family apartments cannot claim the exemption, but some retirement communities can if residents sign leases, as in Prairie Village.

Rhode Island

Central Falls, a city of 19,000 residents north of **Providence**, has \$80 million in unfunded pension and benefit obligations, with \$5 million in deficits projected in each of the next five years. The state-appointed receiver, Robert Flanders, filed for bankruptcy on the city's behalf, describing the action as a last resort. He added that seeking Chapter 9 protection in federal court might be the only option unless municipal retirees and city workers made major voluntary concessions. Retirees were asked to take cuts of up to 50% to pensions, which they did not accept. Flanders asked the court to reject collective bargaining agreements immediately. He said he hoped to have a plan of recovery, including layoffs and tax increases to present to the judge to prevent a protracted bankruptcy. The mayor and council president said it was clear long ago that bankruptcy was the only option. The city garnered national headlines over its finances by firing the teachers at its high school (who were later rehired). Municipal bankruptcies are relatively rare, with Vallejo, California filing for Chapter 9 in 2008, ready to emerge from proceedings that have cost millions of dollars.

Transitions

In Ontario, Guelph's new Chief Administrative Officer is **Ann Pappert** and **Dan Chapman** is the new Chief Financial Officer. **Jim Burns** is the new Chief Administrative Officer in Point Edward. The Municipal Finance Officers Association of Canada (MFOA) presented Mississauga City Manager/CAO **Janice Baker** with the MFOA Excellence in Municipal Finance Award.

In British Columbia, **Tanya Garost** is the new Director of Finance in the Thompson-Nicola Regional District and **Leslie Lloyd** is Cache Creek's new Chief Administrative Officer.

City of Edmonton Councillor **Linda Sloan** was elected President of the Alberta Urban Municipalities Association.

Enid Slack gave two presentations at the IPTI International Conference in Dublin, Ireland: "Policy Issues on the Introduction of Land/Site Value Taxation" and "The Role of the Property Tax in Financing Local Government." Both are available at the Institute on Municipal Finance and Governance website: www.utoronto.ca/mcis/imfg.

RP Data in Australia developed an application specifically for Apple's iPad for valuation data that allows its agents to view company statistics so that profiles, recent sales and other local information can be shared with clients. Telekom Malaysia Bhd (TM) launched its web-based map application, SmartMap, which combines TM's digital map with business data allowing customers to perform geospatial analysis and thematic property valuation maps. It will geocode property data into TM's digital map, converting it into derivative data with access to demographic distribution and property valuations. TM digital map in SmartMap is sourced with information from the Department of Statistics Malaysia and iProperty.

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