

FOCUS & MUNICIPAL ASSESSMENT TAXATION

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FEATURE

Cross-border wind turbines a test case on residential values?

A hearing held on Wolfe Island by the Municipal Property Assessment Corporation (MPAC) is considering an appeal by Ed and Gail Kenney that their property assessment should be lowered because of an 86-turbine facility feeding power to the provincial grid. Just prior to the facility's installation in 2008, the Kenneys had their waterfront home assessed by MPAC at \$357,000. Subsequently, they claimed that the turbines' noise, lights at night and daytime views have negatively affected their property's value.

Kingston assessor Stephen Rayner testified that local property values have not decreased because of the wind turbine farm. "We couldn't find any evidence to support that the wind farms had a negative impact on value," he said, adding that sales have trended upward. Rayner revealed that he initially performed turbine-related assessment work in 2004 on Wolfe Island for the Canadian Renewable Energy Corporation, tracking property values until 2006, and worked on another study in 2007. In March 2011, his company updated data for the township in preparation for the hearing.

Gail Kenney testified about the negative effects and nuisances that resulted from the turbine project's installation (it was subsequently purchased by Calgary-based TransAlta). She cited the effects of industrial noise and view changes, which included health concerns, increased traffic going by their home and degradation of the environment. Kenney described the view from their house as being "overwhelmed by massive 400-foot [122-m] turbines that are constantly in motion."

"MPAC and the township have spent an awful lot of money on this for it not to be a precedent-setting case," said Janet Grace, a real estate agent with the Association for the Protection of Amherst Island. "It's not so much how much your house is de-valued. It's that you can't sell it." Grace assessed the value of the Kenneys' house between \$283,000 and \$295,000. However, in her opening submission, MPAC lawyer Shawn Douglas said, "This is not a test case for properties throughout Ontario."

While the tribunal agreed to allow a witness to be questioned, review board co-chairs Susan Mather and Jacques

Laflamme disallowed him as an expert witness, ruling that his 2008 work for MPAC "has not been put to a test" and that there is still "no recognized standard" for assessing property abutting or in proximity to wind farms. James Moore cited a report conducted in Dufferin County with 133 turbines, with 17 examples of property sales. "There's not enough evidence to warrant a negative adjustment," he said, noting that four of the properties were resold "for more than their initial sale price." Wolfe Island Wind Project operations manager Mike Jablonicky said he has files on 15 individuals who have complained about noise, and most complaints have been resolved. (See www.wolfeislandresidents.ca and <http://windconcernsontario.wordpress.com>.)

Residents on the US side of the St. Lawrence River said the Wolfe Island turbines have already lowered property values. "This is a big deal, despite what they say," said observer Cliff Schneider of New York. "This sure as hell looks, tastes and smells like a test case to me." Richard Macsherry of Cape Vincent, New York said aesthetics is important to land value on both sides of the river as "you do factor in that beauty and viewscape. That's a recognized part of the value of your property."

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A Chicago-based appraiser said wind turbines in Cape Vincent will depress property values of homes within two miles of turbines by up to 40%. Further, including a noise assessment allowed the appraiser to consider whether the generation of more noise would affect the quality of life, aesthetics and overall marketability of property. McCann Appraisal LLC reviewed the report of the town's wind economics committee using outside sources, company research and a noise impact assessment for Acciona Wind Energy USA's St. Lawrence Wind Farm's final environmental impact statement.

"After completing my review of the subject location, it is clear that numerous homes in the Cape Vincent area will be adversely impacted, and the best available evidence indicates that value loss of 25 to 40% or more will occur to homes within approximately two miles of the turbines," said Michael McCann. He also cited sales data from Lee County in Illinois showing that homes within two miles [3.2 km] of a turbine had a sale price that was 25% lower per square foot than homes outside the two-mile perimeter and that other homes were acquired by developers and re-sold for losses of up to 80%.

**"Once a stigma is attached,
it's very hard to get rid of."**

Municipalities in Huron County receive the bulk of tax revenues from lakeshore residents, where it will be difficult to attract seniors to retire amid local wind turbines. Homeowner Shawn Drennan said that wind projects should not be allowed until the legislated 550-metre [1,800-ft] setbacks from turbines are proven safe, adding that as a property owner, "I would be going for a substantial reduction in taxes." Pledging that he will be among the first to appeal his property assessment once turbines flank his property, Drennan said, "Believe me, there will be a line behind me."

Councillor Brian Barnim (Central Huron) said that it seems wind turbines do not have a positive impact on property assessment values. "Once a stigma is attached, it's very hard to get rid of," he said, suggesting that potential homebuyers are "turned off" by turbines. Drennan cited a property assessment appeal by an Amaranth Township resident who received a 50% reduction on his tax bill because of noise emissions at 40 decibels from a transformer station on an adjacent property, the same level as will be allowable with wind turbines.

According to the MPAC ruling, "The MPAC does not dispute that the current value of the subject property is negatively impacted by the noise emitted by the transformer station." The final MPAC ruling noted a credit value adjustment (CVA) reduction of the subject property from \$255,000 to \$127,000 for the 2008 taxation year.

WORK WORD

relationship with two million customers, We have a, *phrase.* We have the billing addresses of two million people who bought something from us at least once, whom we're pestering to buy more stuff.

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

Transitions

In Ontario, **Ruth Coursey** is the new City Manager of the City of Owen Sound. **Daniel Gatien**, Chief Administrative Officer and Clerk for the Town of Clarence-Rockland, is President of the Association of Municipal Managers, Clerks and Treasurers of Ontario. **Albert Horsman** is the new Chief Administrative Officer for the City of Kawartha Lakes.

In British Columbia, the City of Nelson named **Colin McClure** its new Chief Financial Officer, and the District of Clearwater appointed Sheila Thiessen as its new Director of Finance.

Berry Vrbanovic, Councillor of Kitchener, ON, was acclaimed President of the Federation of Canadian Municipalities. Executive Committee First Vice-President is Councillor **Karen Leibovici**, City of Edmonton, AB; Second Vice-President is Mayor **Claude Dauphin**, City of Montreal, QC; and Third Vice-President is Mayor **Brad Woodside**, City of Fredericton, NB.

Australia's **RP Data** offers free property valuation estimates to every person who signs up via an app on the RP Data Facebook page. The app allows users to register an interest in three properties, for which valuations will be provided each month.

Send us your news of appointments, promotions, retirements or other people changes. And why pay for a display ad when you can target jobs to your colleagues for free? Send us a 30-word summary: cmartin@longwoods.com.

PILT: Payment in Lieu of Taxes Roundup

In **Ontario**, a Thorold councillor is pushing the province for a share of PILT given to St. Catharines and Niagara Region for housing 20% of the main Brock University campus within Thorold's boundaries. St. Catharines receives \$75 for each student attending Brock University and splits the money with the region. This "heads and beds" rate is the same amount given to municipalities for hospitals and detention centres, which Niagara Region is asking the province to increase to \$125. St. Catharines billing manager Tracey Miller said the city received money based on a head count of 14,074 students last year, totalling over \$1 million, which was split equally with the region. Brock University said its main campus has 64.3 acres [25.7 ha] of property in Thorold, mostly parking, with the majority of property of 259.4 acres [193.8 ha] in St. Catharines. The vacant land owned by Brock within Thorold is currently exempt from property taxes. Thorold doesn't receive any PILT for the land, which otherwise might be developed, but the town assumes costs related to students, such as transit, housing and bylaw enforcement. Finance ministry spokesperson Scott Blodgett said the province gives \$45.3 million annually to municipalities under the "heads and beds" program. The region received \$899,000 for the 2010 tax year. Next year's \$20.14-billion budget will continue.

Connecticut's PILT Manufacturing Machinery and Equipment program. In a recalculation, the tax rate would be 23.4 mills, an increase of 0.25 mills over last year's rate. A task force was struck to analyze the state budget's largest grant programs by examining the "equity, efficiency and continued viability" of four programs including the PILT, which will provide \$193.5 million to municipalities in the coming fiscal year. As of end June, 19 bills for payments in lieu of taxes were logged in the Connecticut General Assembly, at http://cga.ct.gov/asp/cgasubjectsearch/subbills.asp?subj_code=103028. Also in Connecticut, the Town of Wallingford reached an agreement to receive an annual PILT from the Connecticut Municipal Electric Energy Cooperative's (CMEEC) acquisition of 10 miles [16 km] of high-voltage power lines owned by Connecticut Light & Power (CPL) in a \$42.4-million deal. CMEEC's subsidiary acquiring the lines is exempt from paying taxes, said Town Attorney Janice Small. Al Lara, a spokesperson for CLP's corporate parent, Northeast Utilities, said the utility paid over \$1.2 million in taxes to Wallingford last year and transmission lines account for a large amount of the tax revenue paid to the town.

Five facts & five questions on the relationship between universities & city economies

The United Kingdom-based Centre for Cities has published a brochure explaining how universities affect their local economies. The brochure shows that, by far, the biggest economic impact a university has on its city economy is through local employment and the spending of its students. See www.centreforcities.org (in the search box, type "starter for ten").

Providence, **Rhode Island** will receive state funding for hosting tax-exempt institutions, such as colleges and hospitals, with an increase of \$5.5 million under the PILT program, for a total of \$33.1 million.

According to financial documents, town-owned Middleboro Gas & Electric in **Massachusetts** gave a continually decreasing PILT. The utility made \$48.3 million in revenue and gave the town \$380,000 instead of property taxes. Previous payments were approximately \$393,000 in 2010 and \$394,000 in 2009. In comparison, Danvers' utility company generated \$47 million in revenue and paid \$800,000; Braintree's light plant generated \$54 million and paid \$1 million.

QUOTABLE QUOTE

“ If the taxes we give are not to maintain pride, I am sure there would be less, if pride were made a tax to the government.

— William Penn

”

FEATURE

US mayors call for an end to wars, to use annual \$126-billion cost for local needs

Approximately 150 mayors from around the United States approved a resolution at the annual meeting of the US Conference of Mayors, calling for an end to the wars in Iraq and Afghanistan and for Congress to use the \$126 billion a year the wars cost for urgent domestic needs. According to the conference's press release, "Mayors are calling for the war dollars to instead be utilized to promote job creation, rebuild America's infrastructure, provide aid to municipal and state governments, and develop a new economy based upon renewable, sustainable energy and reduce the federal debt."

Mayor Stephanie Rawlings-Blake of Baltimore said, "There are so many better uses for the money." Mayor R.T. Rybak of Minneapolis said that cities are being forced to make "deeply painful cuts to the most core services while the defense budget continues to escape scrutiny." Mayor Antonio Villaraigosa of Los Angeles said, "That we would build bridges in Baghdad and Kandahar and not Baltimore and Kansas City absolutely boggles the mind."

At least 18 states are cutting aid to local governments because property tax collections fell during the last three months of 2010, according to the Rockefeller Institute. Providence, RI saw more than \$3 billion of its property values evaporate after its last revaluation and is now raising its tax rate, forcing homeowners to pay more taxes on homes worth less money. In Atlanta, property tax collections are falling from \$209.5 million in 2010 to an estimated \$179 million for the coming fiscal year. See page 144 of the document at <http://usmayors.org/79thAnnualMeeting/documents/AdoptedResolutions.pdf>.

In the meantime, residents of Florida who are going overseas with the US military could earn a property tax benefit under Amendment 2, providing exemptions to those personnel posted to Iraq and Afghanistan during 2010, including reserves, coast guard and its reserves and the Florida National Guard. Pinellas County Property Appraiser Pam Dubov said the amount of the exemption will depend on how long the military member was deployed. "If they were gone six months of the year, they'll get a 50% tax break."

At their conference, the US mayors also passed a resolution that "urges Congress to adopt legislation that clearly reaffirms the right of state and local governments to exercise liens or assess special taxes or other property obligations to protect and improve housing stock for the public good, including

energy efficiency improvements, by directing federal regulators to enforce underwriting standards that are consistent with guidelines issued by the US Department of Energy for PACE financing programs or by implementing any other appropriate measure."

Property-Assessed Clean Energy (PACE) programs fall under a financing structure enabling local governments to raise money through bonds or other sources of capital to fund energy efficiency and renewable energy projects. Financing is repaid over a number of years through a "special tax" or "assessment" on property owners who voluntarily choose to attach the cost of improvements to tax bills. See www1.eere.energy.gov/wip/pace.html.

Quirky but true...

A New Jersey tax reimbursement plan allowed Revel Entertainment Group to finish building its casino, with the company then filing an appeal to lower property tax on its 2011 assessment – by \$790 million. Originally assessed at \$820.5 million, Revel believes the property is now worth \$30 million. Lloyd Levenson, of the law firm Cooper Levenson, said the company is simply conducting good business, and the half-finished resort's new value was calculated by Revel officials after Morgan Stanley's \$1.2-billion investment was written off, which Revel then bought out for \$30 million. "This is very, very distasteful," said Councilman Frank Gilliam, who heads Atlantic City's Planning and Development Committee. "We bent over backwards to make sure Revel got up and going." The state's Economic Development Authority had approved a \$261.4-million state tax reimbursement plan over 20 years once the casino opened, as well as funding \$125 million in upgrades to the boardwalk and surrounding parts of the city. Under the plan, the state is to receive 20% of the profits that go to the casino's equity partners. "We have a fiduciary responsibility to our investors," said Levenson. "We have a duty to them to watch our pennies. We're no different than any other casino." All 11 casinos in Atlantic City have appealed their assessments.

Coast to Coast to Coast to Coast

USA (NB: All figures in US\$)

Maryland

Baltimore would need to attract more than half a million new residents to make up for the money it would lose by cutting property tax rates in half over the next four years, according to a report by William Voorhees, the city's director of revenue and tax analysis and a former public finance professor. The property tax rate, more than twice that of the surrounding counties, is emerging as a key issue in the Democratic mayoralty campaign. Mayor Stephanie Rawlings-Blake backs a gradual decline, while challengers say a dramatic cut is necessary to stem decades of population loss in the city. Rawlings-Blake plans to announce tax cuts for owner-occupied homes by reducing spending and using revenue from a planned slots casino. According to the report, the proposed property tax cuts would result in a \$138-million deficit in the fiscal year beginning July 2013 that would swell to \$532 million by 2016. To compensate for lost revenue, the city would need to attract 218,000 new households with 527,000 new residents. The city's population is 621,000, down from a peak of 950,000 in 1950. To download the 10-page Feasibility Study, see <http://legistar.baltimorecitycouncil.com/attachments/7569.pdf>.

Connecticut

Karin Jack, who owns the most expensive home in **Fairfield** with her husband, Bradley, filed suit over their property assessment for their 20-acre [8-ha] waterfront estate, assessed in a recent townwide revaluation at \$24.2 million. At an increase of \$1 million over the prior assessment, the property has a market value of \$34.6 million. Combined with an increase in the town's tax rate, the Jacks' tax bill is \$543,847, an increase of \$96,782 over their current tax bill of \$447,065. The couple contends the assessment is "grossly excessive, disproportionate, and unlawful." Jack had appealed the new assessment to the town's Board of Assessment Appeals, which ruled against her. Bradley Jack appears in a different court in July, charged with second-degree forgery and forgery of a prescription drug after presenting a pharmacist with a photocopied prescription for Oxycontin and Ritalin.

Michigan

Separate appeals on the same site from General Motors (GM) and Nexteer Automotive going to the Michigan Tax Tribunal form the largest property tax appeal in the county, said **Saginaw County** Equalization Director James Totten. GM temporarily regained ownership of the former Delphi Steering Systems during that company's bankruptcy, appealing the assessment on the steering component manufacturer.

Nexteer Automotive purchased the complex from GM and filed a separate appeal. If the township loses, GM could reclaim approximately \$800,000. If GM wins, Nexteer could reclaim \$993,000. GM asked to have the property's \$20.6-million state equalized value – half its market value – assessed at \$4.1 million and a personal property assessment of \$28.1 million reduced to \$15 million. Nexteer asked to have its property's state equalized value reduced from \$20.6 million to \$15 million and a personal property assessment of \$56.3 million lowered to \$42.2 million. The appeals were filed, while the company has received a 100% personal property tax abatement on machinery and equipment put into the plant since 1999. This year, Nexteer will save \$2.7 million because of that tax break, Totten said.

Wisconsin

Oconomowoc agreed to refund Target Corp. \$1,043,457 to settle court cases in which Target alleged the city overvalued the company's distribution centre and levied excessive taxes. The agreement calls for refunds of \$500,457 for 2009 and \$543,000 for 2010, covering the tax years 2008, 2009 and 2010. The assessment for 2008 remains unchanged, and a court appeal involving that year will be dismissed. Target contended the city's assessor overvalued the distribution centre by \$30 million to nearly \$40 million. In a lawsuit filed March 2010, Target stated that property was assessed by the city at \$83,106,900 for 2009, and the city imposed property taxes of \$1,295,274. The company asserted fair market value was no higher than \$43,630,400 and thus property taxes should have been no more than \$680,067. It was agreed the city will assess the property at \$45 million for 2011.

General Electric (GE) is suing **Pewaukee**, claiming the city over-assessed its condominium site, where trainees are housed, by almost \$10 million and is seeking a refund of \$138,000. If the company is successful, the city could see a total reduction of GE's property taxes by more than \$300,000, as taxes on the GE Healthcare Institute have already been reduced. The city set the 2010 assessment for the condominium property at some \$15.3 million, increased from the 2009 assessment of some \$8.5 million, on which GE paid taxes of \$218,817. GE filed an objection appealing the 2010 assessment with the Board of Review, claiming it "improperly dismissed the objection." GE alleges the property should have been assessed no higher than \$5,649,375, with taxes no higher than \$80,321. Last year, GE successfully sought to have the classification of its health institute property across the street changed from commercial to manufacturing, which significantly reduced the property's value and cut taxes by 46%. In 2009, the facility had an assessed property value of \$24.7 million, with an additional \$6 million

value for personal property: GE paid \$362,895 in property taxes. The assessed value and taxes were reduced to \$13.7 million and \$195,504, respectively, and a portion of equipment and machinery was made exempt. With the property's reassessment as manufacturing, the city Assessor's Office lost authority over determining value, because manufacturing classifications fall under a different administrative jurisdiction. The city challenged the ruling, saying that little, if any, manufacturing occurs, and the institute's website shows it mainly as a training facility, a "perfect site for meetings and events." GE reported worldwide profits of \$14.2 billion for 2010 and \$5.1 billion from US operations, for which it apparently did not pay taxes to the Internal Revenue Service.

Oklahoma

Voters will decide in the November 2012 general election whether to **lower the cap on annual property assessment increases** from 5% to 3%. Assessment increases for homesteads and agricultural property could also be tied to the rate of inflation if it was lower than 3%. The cap does not apply to commercial property, including rental properties.

West Virginia

Construction has begun on a new distribution centre for Macy's in **Berkeley County**. The state is leasing the building and equipment to the company, which will not be paying property tax for 15 years. Other local and state government benefits included a loan for site preparation, grants for job training and state sales tax exemptions for all equipment purchased. The state's Economic Development Authority passed a resolution authorizing the issuance of up to \$176.1 million in taxable bonds for the 1.3-million-square-foot [117,000 m²] site.

New York

Two new laws for property tax breaks for some farms and first-time home buyers were approved; one continues a municipal option to provide **incentives for purchases of new homes by first-time buyers**, while the other measure extends **agriculture assessments to portions of farms used for amusements**, such as corn and hay bale mazes. With 38,000 farms on 7.8 million acres [3.12 million ha] of cropland, pasture and woodlands statewide, lawmakers say agritourism is helping offset declining milk and crop prices. The property tax measure would cap annual increases at 2% a year or the rate of inflation, whichever is lower, while offering local governments some relief from state spending mandates.

New York cities, counties, towns and villages have arguably the nation's **most complicated property valuation systems and should be streamlined** to cut annual costs of \$132 million, according to a state report. State Comptroller Thomas DiNapoli's report estimates that localities could save \$12.5 million a year by cutting overlapping bureaucracy in their separate systems. This new report echoes similar find-

ings urging cities and towns to save taxpayer dollars by sharing services. States including Massachusetts, New Jersey and New York all have proposals, now in varying stages, for merging services. "New York has the highest taxes in the nation and we have the most assessors as well," said DiNapoli, adding there were 1,350 certified assessors.

GlobalFoundries filed a grievance with the **Malta** town assessor's office, claiming its facility should be valued at \$210 million, nearly half the amount the town said it is worth. Company officials said that the grievance is based, as is a pending challenge filed in 2010, on the belief the facility's value should be tied to fair market value, which they said is only 10% to 20% of the \$700 million invested. If the firm's challenge is successful, the tax bill for 2010 would fall from \$3 million to \$1.2 million. Last year, Malta assessed the property at \$160 million. Assessor Susan Otis said the new assessment dropped in part because the factory's obsolescence had been taken into account. However, company officials said it's unclear what was considered out of date, as the property is just a year into construction. GlobalFoundries officials said they expect to spend \$915 million before the factory's opening in late 2012, with a total project cost of some \$4.6 billion, including equipment. GlobalFoundries received a \$1.2-billion incentive package from the state, and is also seeking sales tax exemptions up to \$390 million from the Saratoga County Industrial Development Agency.

The **Yonkers** Industrial Development Agency (IDA) approved a tax deal for Yonkers Raceway's \$40-million expansion, including tax breaks of \$1.8 million in a mortgage tax exemption that will cost the city \$500,000 and a PILT program. The agency also began considering new projects worth \$182 million for an existing 260-unit senior-housing complex and the 412-unit Teutonia Hall, for which the developer wants sales and mortgage recording tax exemptions worth \$9 million, as well as a PILT to be determined in October. If the proposals are approved, there will be a 10-year extension of the PILT agreement, bringing the term to 15 years, with an increase in the annual PILT payment to between \$4 million and \$4.5 million. In addition, sales tax revenues generated during the construction phase are exempt under IDA guidelines and will be passed to the city, estimated at between \$1.2 million and \$1.4 million. See www.cityofyonkersida.com/home.php.

Tennessee

City Brewing in **Memphis** will pay \$30 million for a facility and invest \$11 million in property improvements, according to its payment-in-lieu-of taxes application filed with the Memphis-Shelby County Industrial Development Board. The IDB approved a 15-year tax freeze for the brewing company in March.

Florida

Actress **Kirstie Alley** paid an overdue tax bill on a mansion

after a tax certificate was sold to the Cincinnati investment company Slingshot Funding LLC, which first spotted the overdue tax bill. It bid for the certificate, which then allowed the company a profit of approximately \$3,000. Alley's representatives told a reporter for the *Tampa Tribune* they were unaware of the overdue tax bill "because she owned so many different properties." The former *Cheers* actress owed \$41,395 in taxes, penalties and interest on her waterfront home in Pinellas County, which she bought for \$1.8 million in 2008.

Canada

British Columbia

Prince George's tax rate for light industrial use is set to rise by 25%. In making the shift, Mayor Dan Rogers said the city has asked too much for too long of major industrial landowners. "It's as much artwork as it is science," he said. Council had agreed to a \$77-million budget for 2011, a 4.2% increase, with approximately half coming from a temporary levy for the Canada Winter Games. Staff recommended a tax increase: 5% (\$85) for the owner of an average \$233,000 residence and 7.5% increase (\$1,059) for the owner of an average \$950,000 business property. Light industrial property owners can expect increases between 16.9% and 74.9%. Canfor, which receives the city's highest property tax bill, saw its assessed value drop by \$2.3 million to \$194 million, and its tax bill will drop by approximately \$110,000 to \$9.3 million. Rogers said the city still boasts one of the lowest business tax rates in the province.

Harmac received a \$197,000 refund after reassessment of the mill's property at **Duke Point** in British Columbia. The employee-owned company had challenged a 2009 assessment that appraised the property at \$95,844,000. The appeal carried over into 2010 when it was assessed at \$92,793,000. The assessed value dropped by \$2,768,000 in 2009 and 2010, a reduction closer to \$3,850,000 for each year, but not all of it was taxable. The 2011 assessment is \$88,317,000. Nanaimo Forest Products bought the property and mill for \$13,200,000 in 2008, the assessment and market value that president Levi Sampson said should be used; BC Assessment (BCA) clarified that the land value of major industrial sites is based on land and buildings, not selling price. Bill Dawson, deputy assessor for Vancouver Island, said, "Once [the equation] was explained, they had a better understanding of what they paid relative to assessment." While Harmac and BCA agreed to disagree, Sampson said the board marginally reduced the assessed value because of remediation costs for some of the property that is contaminated.

Lake Cowichan approved a 5.35% tax increase for 2011 that amounts to an additional \$11.81 per \$100,000 of residential value to \$362.19. Overall, the town will collect \$1,597,774 through taxation, \$75,791 more than last year's budgeted \$1,521,983. The mill rates don't reflect this, said the town's director of finance, Ronnie Gill, as overall property assessments

went up 2.18%. Cowichan Valley Regional District announced its tax increases, with the Town of Lake Cowichan the hardest hit at an 8.89% increase, approximately \$16.69 per \$100,000 of assessed value.

Alberta

Calgary's Assessment Business Unit launched Business Search – a new online service with secure login providing approximately 25,000 business owners with access to 2011 business assessment information. Previously, business owners who wished to review and compare assessment information were asked to visit the assessment office to conduct a manual review. Calgary council approved a new development levy of \$8,000 to help cover infrastructure costs associated with building new communities that will raise the cost of new houses on the city's outer edges. A motion that would have seen the five-year arrangement scaled back to three years was defeated. See www.calgary.ca/assessment.

The 53-page auditor's report, *Capital Construction Audit: Roads Design and Construction Branch*, makes numerous recommendations to resolve concerns expressed by **Edmonton's** council during 2010 budget deliberations regarding the department's effectiveness. The review assessed the branch's approach towards managing capital and/or operating funds, project management practices and the overall efficiency and effectiveness of service delivery. Mayor Stephen Mandel called the situation frustrating, adding that council must be diligent in ensuring it gets all the facts about capital projects. "You get frustrated when you're in the budgetary process and you don't get proper information," he said. See www.edmonton.ca/city_government/documents/11325_Capital_Construction.pdf.

Manitoba

The provincial average for property assessments is approximately 12%, with homeowners in **Winnipeg** seeing an average 13% increase. General assessments are now done every two years instead of every four years, with the 2010 assessment the first to fall under this shortened cycle. Updated market values from the 2012 General Assessment will not be used for taxation purposes until 2012. Manitoba's entire taxable assessment is now \$52.9 billion, based on property values as of April 1, 2010.

Ontario

(Note: Acronym MPAC is Municipal Property Assessment Corporation)

The practice rink for the **Toronto** Maple Leafs, MasterCard Centre for Hockey Excellence, is mismanaged, said Mayor Rob Ford. City staff recommended a new arms-length city corporation to oversee the arena and take over the project debt of \$43.4 million, of which \$35.5 million is guaranteed by the City of Toronto. Immediate costs include \$200,000 for administration and providing another \$800,000 line of credit to cover the summer for the four-pad arena, which opened in September

2009. The city is to lock in some \$18.8 million in loans taken out at variable rates to finance the construction. Councillor Adam Vaughan said the bailout is a risk the city takes when it signs on to “private sector speculation with public sector assets,” adding that the city always gets stuck holding the bag.

AbitibiBowater Canada Inc. filed an appeal with MPAC for its **Fort Frances** mill property covering the years 2009, 2010 and 2011. The company is seeking to have its assessment lowered from \$28,260,000 to at least \$15,010,000. If successful, the town will be required to make a retroactive payment of approximately \$2.2 million for the municipal portion of the adjustment, lowering town tax revenues by approximately \$800,000 annually. Mayor Roy Avis said that would translate into a 8.44% tax hike, which would not be acceptable. “You’re looking at a huge amount of money. People in the community, we can’t expect them to pay that,” he said.

Foreign Affairs

Uruguay

According to the property valuation firm Valora, houses rose 17% over the past year while economy grew by 8.5% in 2010. This was up 2.86% from 2009, with a 10.8% increase in domestic demand. Because of inflation concerns, the International Monetary Fund expects slower growth during the next 2 years. www.valoraconsultora.com

France

Under pressure from English speaking expatriates and French nationals living abroad, the proposal to introduce a new tax on those with second homes has been withdrawn. Currently, non-French residents with second homes have to pay tax habitation and tax foncière, so the threat of additional taxation provoked anxiety from owners. If approved, the proposed tax would have been calculated as 20% of the valeur locative cadastrale – an estimation of the property’s rental value. The tax would have applied to those who do not live in France all year round and choose not to rent out their French property on a long term basis.

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