

FOCUS & MUNICIPAL ASSESSMENT TAXATION

CASES, COMMENTARY, NEWS AND BEST PRACTICES • OCTOBER 2012, VOLUME 17 • NUMBER 10

FEATURE

New Brunswick releases White Paper on property tax

Homeowners will be offered a new “spike protection” mechanism against large property tax hikes, said Local Government Minister Bruce Fitch, who released the tax reform discussion document *Improving New Brunswick's Property Tax System: A White Paper*. Homeowners will be moving back to a market-value system, and there will be a permanent exemption for the 146,000 homeowners under the two-year assessment cap until the residence is sold, when the new owner will pay the full rate. Homeowners will be given the option of paying for their property taxes monthly; the property tax freeze is being lifted, and a mechanism to limit assessment increases to no more than 10% will be in place. Another element is to reduce the amount of tax imposed on rental properties, commercial properties and second homes. Building owners have complained about passing on the extra cost to tenants, although the reforms will not force apartment building owners to do so. The White Paper also recommends reducing the rate on businesses/commercial properties and second homes; simplifying assessment processes; ensuring farmers are not seriously affected; and exempting libraries from property tax. The government says any revenue lost because of tax reductions will be covered by a doubling of the property transfer fee, estimated to generate up to \$8 million a year. Download *Improving New Brunswick's Property Tax System: A White Paper* at www.gnb.ca/0024/index-e.asp.

Ontario's Wolfe Island wind turbine assessment reductions total more than \$3 million

A list of property assessment reductions from MPAC since 2008 – the year before a local wind farm began operating – shows 78 significant assessment reductions, totalling some \$3 million due to wind projects. The detailed list was included in a September let-

ter to the Huron East Council, an area that hosts Ontario's second-largest wind farm, as evidence for the creation of bylaws to protect residents. Six of the largest residential reductions are close to turbines in the Township of Wolfe Island (Wolfe and Simcoe islands), each granted assessment reductions of more than \$100,000 from 2008 until January 2012. See MPAC's detailed MS Excel database of some 480 local properties entitled Wolfe Island Assessment Reductions at www.windaction.org/news/36075.

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FEATURE

Ontario considers privatizing MPAC after latest media outing

Ontario's Finance Minister, Dwight Duncan, said he is considering privatizing the Municipal Property Assessment Corporation after it was accused of mismanagement, holding a retreat in Toronto for some 1,300 employees from 33 offices around the province. MPAC held the \$170,000 retreat at the Toronto Centre for the Arts, where the choice of upscale caterer and menu caused controversy. Antoni Wisniowski, MPAC's president and CAO, said the meeting was necessary to talk about major changes planned that are intended to save the agency approximately \$20 million over the next four years through leasing less office space and with more property assessors expected to work from home to cut travel and related expenses. MPAC chair Dan Mathieson said, "We consulted some leading change experts and they said the best way was to get everyone in a room and just lay it all out." Critics said MPAC could have hosted a webcast instead of closing many offices for the day. Employees under four hours' travel time were bused into Toronto and back, 30 employees from northern Ontario were flown in, and 69 employees stayed overnight at a hotel.

A 2010 report from Auditor General James McCarter criticized MPAC for staff travel and hospitality expenses that

"appeared excessive or otherwise inappropriate," including \$1,700 on Nintendo Wii gaming consoles and Taylor Made golf clubs. "I thought it was kind of a boneheaded thing to do," Duncan told the Ontario legislature. "I don't understand it. It's not a good use of money." He added, "Let's just say it's been one of those thorns under my saddle for some time on a range of issues." McCarter found that one out of every eight assessments was more than 20% higher or lower than the actual sale price. Homes to be assessed at least once every 12 years were, at best, evaluated once in 18 years.

MPAC's board is appointed provincially, mostly through recommendations from the Association of Municipalities of Ontario, whose \$200-million annual budget is funded primarily by municipalities. Duncan suggested that MPAC, created in 1997, could follow the same path as the province's electronic land-registry system: a government deal in 2010 to extend the Teranet Inc. licence for another 50 years saw Teranet's owner, an arm of the OMERS pension fund, paying \$1 billion to the province. See the Auditor General's 448-page 2010 report, Section 3.08, pages 192–212 at www.auditor.on.ca/en/reports_en/en10/2010ar_en.pdf.

FEATURE

Municipal bankruptcies, obligations and bond debts grow

In municipal bankruptcies, some cities overspent on salaries, unfunded facilities and pensions (in the United States, approximately \$64 billion is outstanding in pension obligation bonds), with many unconcerned with repeated warnings of risk, looming trouble and state receivership. Also, being in authority can seem like having the ability to overspend or borrow against projected revenue, such as property tax increases and applying levies.

- In **Mammoth Lakes**, California, bankruptcy stems from a land dispute and a \$43-million court decision favouring a developer. Small jurisdictions are increasingly at risk: after council resigned over financial issues in mid-2011, a provincial administrator was appointed for **Bridgetown**, NS. The province paid the \$350,000 fee for a forensic audit that reported \$113,200 in municipal funds has been misappropriated. See <http://novascotia.ca/news/release/?id=20120712001>.
- In Pennsylvania, **Scranton**'s debt crisis began when a

local parking authority said it couldn't make a bond payment, calling the city's guarantee. The authority issued bonds the city used in a campaign to woo Hilton Hotels and Resorts to operate a downtown conference centre. By 2008, the authority had \$54 million in outstanding bonds, spending some 60% of its budget on debt service. The city's fuel supplier threatened to halt deliveries of gasoline for police cars and garbage trucks, with more vendors cutting off credit. Bond insurer Radian Asset Assurance issued a 30-day foreclosure warning on parking garages.

Allentown was subject to lawsuits by surrounding communities that accuse it of a plan to make their residents fund an authority's bonds for a new hockey arena.

- Boston College's Center for Retirement Research reviewed outcomes for nearly 3,000 pension obligation bonds issued from 1986 to 2009. It found that most were in the red, one in five issued since 1992 having matured. **New Orleans** sold some \$170 million of debt in 2000 to finance pensions of retired firefighters. Officials hoped that bond proceeds

would be invested in assets returning 10.7% a year. Instead of earning, New Orleans is paying 11.2% interest, with a \$115-million balloon debt payment due in March. Backed by property taxes instead of investment returns, the next batch of pension obligation bonds will have an investment-grade rating. The centre evaluated state debt of pension obligation bonds: as a share of state and local revenue, Oregon's was listed at 21.2%, with Illinois at 17.4%. See <http://crr.bc.edu>.

- In California, after **Vallejo** declared bankruptcy – with \$382 million in liabilities and more than 1,000 lawsuits filed – state lawmakers passed AB 506, a bill requiring cities to hire third-party mediators to negotiate with creditors before filing for bankruptcy. Karol Denniston, a Schiff Hardin partner who helped draft the legislation, said, “It’s in the interest of every teetering city to make its bankruptcy process as short and cost-effective as possible.” He added that protracted proceedings encourage residents to leave, further eroding a city’s tax base. With approximately 292,000 residents – the population of Halifax Regional Municipality – **Stockton** filed for Chapter 9 bankruptcy to suspend debt payments, cut employee pay and reduce retiree benefits. By 2006, the city’s California Public Employees’ Retirement System (CalPERS) shortfall was \$152 million. The gap stems from 1999, when Stockton increased the value of pensions without making

increases to CalPERS. Lehman Brothers pitched a deal in 2007 to issue municipal bonds with a lower interest rate than CalPERS; Stockton’s meeting notes show that some council members sensed problems but didn’t challenge the proposal, which risked public funds. Since 2009, some \$90 million in spending was cut, with 40% of city employees let go, and the city defaulting on payments, including debts and funds pledged for a hockey arena. Wells Fargo repossessed three parking garages and a building bought for \$40 million in 2007 for a new city hall. After 90 days of mediation under AB 506, Stockton and its creditors failed. See “City News” at right at www.stocktongov.com and <http://legiscan.com/gaits/text/354039>.

- Thomson Reuters suggests that taxpayers back enterprise bond debt at five times the rate of 10 years ago. State laws requiring voter pre-approval of bonds don’t generally apply to guarantees, and local governments generally don’t include bonds in financial statements or set reserves aside. Moody’s Investors Service issued a report saying that some New Jersey cities and counties found, by working with independent authorities, that they could bypass legal debt limits, such as the construction of Harrison’s Red Bull soccer stadium and \$85 million for a waste-disposal system. Click on “Search” at http://newjersey.municipal-bonds.com/bonds/moodys_reports, or see the same website with other states in a drop-down list.

FEATURE

Stadium fever: Regina, Edmonton and Markham heading into the big leagues of debt?

Despite calls for a referendum, **Regina**’s council voted to spend \$2.5 million towards consultation and proposal preparation costs for the city’s new football stadium, also recommending a public-private partnership with an outside firm to design, build and finance the \$278-million, 33,000-seat facility. “We’re following those [procedures] to make sure we’re limiting the risk to our taxpayers and what the price is that we’re willing to pay,” said Councillor Mike O’Donnell, emphasizing the stadium is only one facet of the Regina Revitalization Initiative. With funds from the province, the federal government and the city, there will be an increase in mill rates of 0.45% every year for a decade, some going into reserve to help pay for stadium maintenance in addition to other increases averaging some 3% a year for the past five years. Approximately \$28 million is estimated for environmental and site preparation costs for the stadium, now expected to be completed in 2017. Representatives signed a memorandum of understanding (MOU) for the city to contribute \$73 million

and borrow \$100 million from the province, the Saskatchewan Roughriders to contribute \$25 million and the province to fund \$80 million. Over a 30-year period, the provincial loan and city debt – plus interest, maintenance, rehabilitation, interim financing and contingency fees – increases the cost and projected revenue to \$675 million, expected to be covered by \$300 million in property tax revenue; a \$12 facility fee on football tickets and commercial events; \$75 million from Sask Sport; reallocation of \$24 million in costs from the existing stadium; a new hotel tax of \$80 million; \$81 million in interest; and \$15 million in sponsorship revenue. Operating and maintenance costs for three decades are expected to be \$230 million [all figures estimated].

Edmonton’s Mayor Stephen Mandel set October 17 as the drop-dead date for completing the arena agreement with the Katz Group, which reached a 17-item agreement with the city in the fall of 2011 on financing, building and operating the then \$450-million downtown arena. Mandel said the costs could now

reach \$475 million. Councillors discussed issues raised by the Katz Group, which reportedly included a \$6-million subsidy to help with operating costs, a proposal that councillors rejected.

Markham's financial plan to pay for half of a \$325-million arena project includes a component to cover the city's \$162.5-million share of the NHL-size facility through developers' paying a special levy. However, Ontario's *Development Charges Act* (www.e-laws.gov.on.ca/index.html) requires that municipalities provide a background study, hold a public meeting, then enact a bylaw. Besides the levy's being unenforceable, there could be legal challenges from developers that could put arena debt onto Markham taxpayers. Regional Councillor Jim Jones, who opposes funding the arena with public money and a public-private arrangement, said he isn't sure what numbers to believe any more. The 20,000-seat arena would be owned by Markham and see the city borrow \$325 million, half repaid by GTA Sports and Entertainment, which will lease the arena, a private group headed by arena promoter Graeme Roustan and financially backed by Rudy Bratty of the Remington Group. Philadelphia-based Global Spectrum, another partner, estimated the arena might attract 133 events annually. Riley O'Connor, chair of Live Nation Canada, said the arena will need a major sports franchise as concerts won't generate enough revenue, saying that "at some point you really have to look at the risks involved."

The "Think Big" task force formed by **Sacramento's** Mayor Kevin Johnson to develop a financing plan for a new basketball arena was funded largely by California's Sacramento Kings NBA team, with whom city officials were negotiating. The arrangement stipulated that 10% of the millions of dollars in corporate sponsorships the mayor helped raise for the franchise would be funnelled into the committee. The donations' path was revealed months after negotiations collapsed, past the state deadline for officials to report such donations. Including that task force, the state's Fair Political Practices Commission is examining a network of non-profits under the Sacramento Public Policy Foundation. In February's tentative arena financing plan, the Kings agreed to contribute \$73 million towards the project in loans and gifts, with the city to contribute more than \$250 million by leveraging downtown parking operations. The deal collapsed after the Kings backed out. See www.bloomberg.com.

A Propos

- With at least \$4 billion in tax exemptions, American taxpayers subsidized the construction of sports venues for the benefit of owners' bottom lines, reported an investigation. Wealthy owners whose big-league teams benefited from new stadiums show that borrowing occurred despite 1986 congressional efforts "to bar cities and states from building stadiums with tax breaks originally set up to help local governments cut their borrowing costs for building roads, sewers and schools." Studies over the past decade found stadiums "are poor municipal investments," note authors Aaron Kuriloff and Darrell Preston. "Nonetheless, political leaders are still willing to offer taxpayer-funded aid to team owners – including muni-bond financing – to lure or avoid losing a franchise and the civic pride and event-related jobs that go with it." See feature, "In Stadium Building Spree, US Taxpayers Lose \$4 Billion" (September 5, 2012) at www.bloomberg.com.
- Abstract of the seminal 1990 article, "The Impact of Stadium and Professional Sports on Metropolitan Area Development": "More and more cities are being encouraged to subsidize sports stadiums as an economic development tool. In this paper, regression analysis using census data on nine different metropolitan areas is employed to evaluate the impact of stadiums and professional sports teams on area development. Previous attempts to estimate the effectiveness of sports-based development have used assumption-driven trade multiplier models. The evidence presented here is that the presence of a new or renovated stadium has an uncertain impact on the levels of personal income and possibly a negative impact on local development relative to the region. These results should serve as a caution to those who assume or assert a large positive stadium impact." Abstract: seminal 1990 article, "The Impact of Stadium and Professional Sports on Metropolitan Area Development. See.... See <http://onlinelibrary.wiley.com/doi/10.1111/j.1468-2257.1990.tb00513.x/pdf>.

QUOTABLE QUOTE

“ I believe that life is chaotic, a jumble of accidents, ambitions, misconceptions, bold intentions, lazy happenstance, and unintended consequences, yet I also believe that there are connections that illuminate our world, revealing its endless mystery and wonder. ”

– David Maraniss in *Barack Obama: The Story*

Legal Briefs

Residents of **Harrisburg**, Pennsylvania's capital, will pay a 1% court-ordered income tax increase towards the city's revenues after council refused to enact the tax, saying the state-appointed receiver under Pennsylvania's Act 47 had no right to impose it. The city has an operating deficit of \$12.4 million on projected revenue of \$47.8 million this year. Judge Bonnie Leadbetter of Commonwealth Court said the action was appropriate since one "imperils" the function of another and council "failed to act to alleviate an emergent fiscal threat to the health, safety and welfare of the citizens and threatened the ability of city government to function." The six-page ruling ordered that revenue from the tax be used only to pay for essential services and not to finance schools or fund the debt on the city's incinerator of approximately \$320 million.

Some council members said the city should have first negotiated settlements with creditors and sold city assets, such as parking garages and the incinerator. The increase, from the current 1% to 2%, would give the city \$1.7 million, projected to rise to \$5.1 million in 2013 and \$6.9 million in each of the three years after, the judge saying officials could seek future tax increases. According to the receiver's projections, every year until 2016 is expected to end with a budget deficit.

After the 1998 bond guarantee for the trash incinerator project, the authority running the project issued additional bonds, which the city also guaranteed. Because the authority sold new bonds to pay off older bonds, debt soared to more than three times what residents owe on the city's bonds. The city was planning to sell a collection of Old West artifacts accumulated for a museum, valued at \$6 million to \$10 million, in July. However, the sale was cancelled because of opposition from Harrisburg's controller, since auctioneers' fees of 40% of selling price had not been budgeted. See *Harrisburg Receivership Appointment*, 15 selected postings – 569 MD 2011 at www.pacourts.us/T/Commonwealth.

Owners of a mixed-use building in **New York City** want an appraisal dismissed because of conflict of interest. The owners aim to block Robert Knakal and Woody Heller from serving as arbitrators in subsequent valuations. Owners of the 13-storey, 133-unit apartment building filed a petition asking a judge to block a price analysis of the building, valued on June 25 at \$15.6 million. Valuation will determine how much an affiliate of Heller Realty will pay the owners for a long-term ground lease.

Different entities have owned the ground lease covering the apartment building since 1961, and the parties are determining lease payments for the current 20-year period. The actual annual payment is set at 6% of the property's value. To determine fair market value, the owners hired Bradley

Mendelson at Cushman & Wakefield in January 2010, and Heller Realty hired Woody Heller at Studley in March 2010. Mendelson put the value of the property at \$55 million (~\$443 per square foot [0.09 m²]), while Heller put the value at \$8.8 million (~\$70 per square foot). The lease required appraisers to determine value as if the property were vacant and unimproved, but with the long-term lease.

The existing building is almost twice the size of what current zoning would allow. In using the square footage that can be built now, a valuation estimate is \$15.5 million. In accordance with terms of a court order, Mendelson and Heller selected a third party as an impartial arbiter in February 2012 – Knakal of Massey Knakal Realty Services, who with Heller signed off on the June 25 appraisal of \$15.6 million. The building owners then became aware that Knakal was the broker representing a Heller Realty affiliate in the sale of a neighbouring building, which closed February 2012 for \$32.5 million. See <http://therealdeal.com/blog/2012/08/15/union-square-property-valuation-triggers-lawsuit>.

Quirky but true...

Mitt and Ann Romney paid \$12 million cash for their oceanfront La Jolla, California home and filed with San Diego County for property tax relief. Initially, the Romneys asked that the 2009 assessment of \$12.24 million be reduced to \$6.8 million, maintaining their home had lost 45% of its value in the first seven months they owned it. After hiring an appraiser who specializes in high-end homes and an attorney, the Romneys filed an amended appeal, contending the home with 61 feet [18.5 m] of beachfront suffered a 27.3% decline in valuation to \$8.9 million. They also filed an appeal for the 2010 tax year, claiming the house's value dropped further, to \$7.5 million. So far, the Romneys have saved approximately \$109,000 in property taxes over four years, demolishing the home and rebuilding. Appraiser John Streb said assessing the Romneys' home is complicated, as there are a limited number of beachfront properties that vary dramatically in size and quality. Two months before they bought their home, the property beside was bought for \$16.5 million by friends, meatpacking billionaire John and Victoria Miller. In exchange for a significantly lower assessment (\$1.74 million) and taxes at \$18,846 instead of some \$165,000, the Millers agreed not to change the historic property's exterior, said Cathy Winterrowd, principal planner for San Diego's Historical Resources Board.

Coast to Coast to Coast to Coast

Canada

British Columbia

The method used by BC Assessment to determine the highest and best use of many recreational-zoned properties ensures a seasonal campground/RV park. Camp Okanagan Resort, in the **Central Okanagan**, opened June 2010 with 21 full-service RV sites, 19 fully furnished upscale cottages, in-ground pool, laundry and washroom facilities located on a 10-acre [4-ha], naturally landscaped parcel of land zoned C8 – Wilderness Resort Commercial. The property was rezoned from Rural Residential (RU2) in 2008, supported by the surrounding municipalities to address the ongoing loss of RV/campground facilities to redevelopment. BC Assessment determined the highest and best use was not as a seasonal tourist business, splitting RV sites as to individual owners. The resulting valuation represented approximately 25% of gross annual income. See www.homeandweb.com/camp-okanagan.htm.

Ontario

(Note: Acronym MPAC is Municipal Property Assessment Corporation)

Ottawa Council approved a Farm Grant Program to provide financial relief to farmers by allowing the June final tax instalment to be paid in December. To qualify, the property must be defined by MPAC in the farmlands property class and must not be owned by a commercial enterprise. Taxes must have been paid up to date before the June instalment, with the final instalment paid in full by early December. Penalty charges and issuance of reminder notices will continue. The grant amount will be the equivalent of the penalty charges and fees added to an owner's account during the deferral: the city will automatically calculate and apply a credit for the grant amount to an owner's tax account, with no application to fill out. Contact the Revenue Branch at 613-580-2444.

Residential property values increased by an average of approximately 18% across Ontario since 2008, the last Assessment Update. With the four-year phase-in program now in effect, property owners will see an average assessment increase of 4.5% each year for the next four years. **Brantford's** average residential assessments have risen 7.9% since 2008, based on the assessment cycle to take effect January 1, 2013. Assessments with increases will see hikes phased in over the next four years in equal instalments, the average value of the first year being 1.7%. **Barrie's** waterfront properties rose 11.3% over the four years, while other properties rose an average of 8%. Assessments on **Brockville** homes will likely rise by an average of 13.7%, with an 11.97% increase for commercial properties and 13.05% for industrial properties. See www.mpac.ca.

New Brunswick

Fredericton council voted 8 to 4 to zone a 26-hectare [65-acre] parcel of land, adjacent forest and wetland area as open space and agricultural instead of residential. The vote ended almost a year of ambiguity, the public gallery filled with supporters. Residents have used the city-owned site for three decades through a yearly lease for the Sunset Berry U-Pick. Deputy Mayor Stephen Chase voted to keep the area zoned residential, saying residential development space and its tax revenue are needed. Chase estimated the site could have generated approximately \$1 million a year in property taxes.

Nova Scotia

A *Chronicle Herald* editorial called the **Halifax** Regional Municipality's (HRM) attempt at property tax reform the biggest failure in the past four years, "thanks in part to Mayor Peter Kelly's lack of leadership." The editorial noted that inequities in property taxes have stifled growth on the peninsula and encouraged development away from the core – contrary to HRM's defined Halifax by Design planning guide – penalizing businesses and new home buyers not protected by an assessment cap. "But after years of hard work – including hearings, open houses, surveys, research and modifications based on feedback – this city council blinked when it came to embracing change." The editorial welcomed portions of an alternative budget by the Canadian Centre for Policy Alternatives, "in favour of a new municipal income tax system that would be more progressive and less divisive." See *A Sustainable Vision for Our Community: Alternative Municipal Budget for the Halifax Regional Municipality* at www.policyalternatives.ca/publications.

USA (NB: All figures in US\$)

New York

With a budget of \$68.5 billion, **New York** might collect an extra \$950 million in property tax revenue from fiscal 2014 to 2016 because the US Federal Reserve might keep interest rates low, dampening market effects until 2017. "We also believe the city's rising population and shortage of housing will maintain values for large residential properties, and that the large pipeline of assessment increases waiting to be phased in will further support growth," said Comptroller Thomas DiNapoli. In the current 2013 fiscal year, the city also might collect an extra \$430 million in property tax revenue. However, the legislature is expected to renew a property tax break for condominium and cooperative apartment owners that will erase any gain.

Florida

Some **Miami-Dade** homeowners have eluded property taxes by illegally claiming homestead exemptions while renting properties; others are heirs who kept a homestead status for 17 years after their relative died. If caught, owners are liable to pay up to 10 years of unpaid back taxes, plus a 50% penalty and 15% annual interest. One investigation showed \$403,330 owing. Since January, six detectives from the Economic Crimes Bureau of the Miami-Dade Police Department have been assisting 15 investigators at the Property Appraiser's Office on a backlog of some 2,000 cases, particularly important now that cities can't afford lost revenue. Appraiser Pedro Garcia used new software and services to flag suspicious claims among the 440,000 homestead properties, in July alone, filing \$11 million in homestead liens (approximately \$8 million was filed in total for 2011).

Pennsylvania

When the Hyatt Regency Hotel opened at **Pittsburgh** International Airport in 2000, its owner pledged \$767,000 a year to compensate for the loss of tax revenue on the tax-exempt project. The intended recipients are still waiting, 12 years later, to see any of the now estimated \$8.4 million in funds. The agreement mandates that bills be paid before the taxing bodies receive funds, which includes principal and interest debt instalments, funds set aside for furniture and equipment, hotel operating expenses and – as distant “owner” – Dauphin County General Authority's administrative expenses and fees. Controller Chelsa Wagner said her office will probably audit the agreement.

Foreign Affairs

China

China will expand its property tax policy to Central China's Hunan and Hubei provinces. Second homes and other property will be subject to a rate based on market valuation. Until now, the pilot property tax policy was limited to Shanghai and Chongqing, with tax based on a property's original value. The recent housing price rebound fuelled calls for expansion of the tax policy, which is expected to curb the number of homes bought by investors.

Ireland

Property tax based on valuation is in the government's latest submission to the International Monetary Fund (IMF) and European Union (EU), calculated on current market value. The bailout is due to end in late 2013. The IMF and EU document was posted on the website of Ireland's Department of Finance after the seventh review. Documents outline targets to be met by the end of the year, including 2013 budget targets of a further cut in the deficit through reduced pensions. Property tax is expected to be some €300 for an average, three-bedroom, semi-detached house in different bands, meaning tax will range from €250 to €400, with those in urban areas paying more. Homeowners are to self-assess their residence values along bands, by ticking off the value of their home on a checklist from the Revenue Commissioners. Commissioners will carry out spot checks by comparing values of houses in the same areas and will collect payments, with penalties for those who undervalue. Minister of State for European Affairs Lucinda Creighton said there would be no automatic exemptions for pensioners or social welfare recipients. The estimated revenue is some €500 million per year. The first deadline for payment

WORK WORD

showstopper, *n.* The entertainer's pièce de resistance, but in R&D a potentially incurable bug that casts doubts over the scheduled launch date.

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

is expected to be in July 2013, with penalties for late payment. A property price register will come online to provide a guide to values across the country later this year. The database was compiled by the Local Government Management Association together with city and county councils, a coalition considering a super-tax for owners of large, high-value homes. In December's budget, measures to raise at least €1.25 billion will include other direct and indirect taxes, with a major communications campaign to start in March. See www.finance.gov.ie/viewdoc.asp?DocID=7344.

Israel

The UK-based Royal Institution of Chartered Surveyors (RICS) is helping to introduce international standards and transparency to the Israeli property market in setting standards for valuers and real estate agents. A RICS delegation of members of the Building Control Professional Group Board and the RICS director for global training met with government to kick off a joint project with the Ministry of Interior for State. RICS encourages professionals to adhere to a code of ethics and international professional standards, with 13,500 RICS-registered valuers across Europe since September 2011. RICS recognized the Israel Real Estate Valuers Board and allowed valuation members with at least five years' seniority to apply for entry into RICS.

Transitions

In British Columbia, new Chief Administrative Officers: **John Leeburn** in the City of Port Coquitlam; **Mac Fraser** in the City of Powell River; and **Kathy Lalonde** in Bowen Island Municipality.

Hamilton, Ontario's councillor **Russ Powers** was acclaimed president of the Association of Municipalities of Ontario.

In Prince Edward Island, **David Arsenault** was appointed Deputy Minister of Finance, Energy and Municipal Affairs.

Kathy Dunderdale, Premier of Newfoundland and Labrador, appointed **Julia Mullaley** as Deputy Minister, Municipal Affairs.

The International Association of Assessing Officers (IAAO) recognized **BC Assessment** for having the world's best public information program, an award given annually to assessment jurisdictions that develop and implement an effective system for providing information to taxpayers about property assessment. "We work as hard as we can to build greater trust and understanding with our many customers," said Connie Fair, BC Assessment's president and CEO. In addition to improving communications around the 2012 Assessment Roll – of nearly two million properties – the organization's activities resulted in a 25% reduction in property appeals.

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Factoid

New York City's Times Square represents \$6 billion in assessed real estate value with 385,000 square feet of advertising space on 230 signs, generating more than \$60 million in advertising revenue. The assessed real estate value of Times Square has more than tripled since 1996.

www.timessquarenyc.org

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