

## FEATURE

# Ottawa working group makes recommendations on taxing apartments

In her *Report to Finance and Economic Development Committee and Council*, City of Ottawa Treasurer Marian Simulik recommended council adopt optional tax classes as subsets within the broad commercial and industrial tax classes, using different tax ratios for 2012:

- shopping centre commercial property class;
- parking lots and vacant lands commercial property class;
- office building commercial property class;
- large industrial property class;
- new multi-residential property class; and
- professional sports facility class.

As in the past, the adoption of neutral ratios was recommended for 2012 to eliminate tax shifts (except keeping the multi-residential tax class ratio at 1.7 instead of 1.702203). The next reassessment cycle will phase in value changes from January 1, 2008 to January 1, 2012 over the 2013 to 2016 cycle. City staff will report key findings and impacts of any changes to council in the fall of 2012, including a communication plan for property owners.

With apartments taxed at a higher rate than homes – because of being partly residences and partly investments – a working group of Ottawa politicians, finance officials and landlords met to develop recommendations. The Municipal Property Assessment Corporation values multi-residential properties, applying a Gross Income Multiplier (GIM) to the total of the base rents, a method used for all income properties in the multi-residential property tax class. While simple to administer, its critics say it results in inequities, with some properties under-assessed and some over-assessed, and inequities by quality, age and condition in grouping similar types of buildings. The GIM model has three categories – good, aver-

age and poor – with the majority slotted as “average,” yet the lack of sales in the main classifications of high-rise, walk-up and row house can result in the same GIM.

After Ottawa’s April 13, 2011 council meeting, a working group was established to develop a consensus, if possible, on the multi-residential tax ratio. Although no consensus was reached, the group agreed that council would request the province to investigate use of a more sophisticated valuation model of income capitalization to determine the equivalent tax burden between residential and multi-residential classes and among various property types in the class. Additionally:

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- It was recommended that council give direction to staff and stakeholders, such as the Eastern Ontario Landlord Organization, which consists of large residential landlords in Ottawa and many medium and small landlords, to work together and attempt to find, refine or develop generally accepted methods of demonstrating the tax burden on multi-residential properties so that council can address the multi-residential tax ratio question.
- In 2011, council approved the adoption of a Professional Sports Facility tax ratio equivalent to the commercial tax ratio. When combined with the minutes of settlement signed December 2011, it yielded an equivalent tax levy for these properties. Staff recommended adopting the equivalent commercial tax ratio for the class.
- Commercial, industrial and multi-residential properties are covered by a mandatory capping program limiting tax increases from reassessment. Council approved changes to capping levels in 2005 through 2011; this approach was

again recommended for 2012, to move capped properties to their actual taxes based on CVA.

- The report recommends that council continue the various tax mitigation programs and endorse associated policies, including rebates to charitable organizations and owners of vacant commercial or industrial properties. It also recommends tax deferral for low-income seniors and the disabled.
- After the approval of the 2006 tax policy submission, council approved a tax mitigation program for farmers. The Farm Grant Program allowed eligible farmers to defer payment of their final tax bill, normally due in June, until December. While the uptake was limited for 2011 (514 of 4,000 such properties), in response to rural concerns the program was recommended again for 2012.

See the *Report to Finance and Economic Development Committee and Council*, dated April 24, 2012 by Marian Simulik, City Treasurer, Ottawa, at [www.ottawa.ca](http://www.ottawa.ca).

## FEATURE

# Taxes for two pipeline projects in dispute

**T**he Department of Revenue in **Kansas** believes a law allowing oil company TransCanada Corp. to avoid paying \$18.8 million in property taxes was misinterpreted. The company says it followed tax rules approved years ago, reiterating its investments in the state. The department filed a petition asking the state's Court of Tax Appeals to reconsider its decision to approve the Calgary-based company's exemption from 2011 property taxes. The pipeline began moving crude oil across six Kansas counties that summer, and some county officials say they're losing revenue. The department argues the company doesn't provide state refineries proper access to oil, as required under the law.

David Harper, property valuation director for the department, said access is "the point of contention. This hasn't been argued before. We're kind of setting precedent here."

TransCanada spokesperson Shawn Howard said the property tax issue was part of a political and legislative discussion and that TransCanada invested more than \$680 million in the Kansas economy. The section in Kansas is separate from the disputed Keystone XL project, but would link Keystone XL to facilities in Oklahoma and the Gulf of Mexico. Kansas lawmakers passed the property tax exemption in 2006, when TransCanada was exploring the route. The law was designed to encourage energy projects and included income tax credits, financing and 10-year property tax exemptions, the only state along the Keystone pipeline route with such an exemption. The Court of Tax Appeals ruled that TransCanada met the access requirement because Kansas refineries have access to

the oil from facilities in Oklahoma, approximately 100 miles [160 km] from the Kansas border. In asking court to reconsider, the Revenue Department disputed whether access met the statutory requirement, saying court "engaged in no meaningful analysis and, therefore, failed to strictly construe the exemption." If court again determines the pipeline is eligible for the exemption, the department may appeal. Clay County commissioner Jerry Mayo said his county is losing approximately \$1 million a year because of the exemption, while Marion County commissioner Daniel Holub said it means his county loses some \$1.3 million annually.

**Ohio's** Muskingum County received \$3.8 million in tax revenue in 2011 from the Rockies Express Pipeline. County Auditor Debra Nye sent Kinder Morgan Energy Partners a bill for another \$662,000 after a final property value determination came in \$11 million higher than the company stated. While the funds are welcomed by the townships, school districts are seeing state aid reductions. Nye said the \$3.8 million for tax year 2010 was based on the company's valuation of some \$60.4 million, while an appraisal by the Department of Taxation determined value at \$71 million. Kinder Morgan disputed the appraisal two years ago, originally proposing to pay taxes on \$31.1 million, for which Muskingum County was estimated to receive approximately \$4.4 million per year. The county received some \$3.4 million for the first half of 2011, a figure that is expected to rise after the department makes a new determination.

## FEATURE

# California appeals board orders Chevron to pay \$27 million more

**A**n appeals board ruled that Chevron's property tax bill wasn't high enough. Contra Costa County, cities and special districts Assessment Appeals Board could have forced public agencies to repay Chevron as much as \$73 million of the \$129 million the company paid for tax years 2007–2009. Instead, Chevron must pay \$27 million more.

In an “uncharacteristically detailed and strongly worded 24-page opinion,” the board rejected the taxable values Chevron defended, saying the higher values set by county assessor Gus Kramer weren't high enough.

While Kramer and his staff failed to produce supporting evidence for the refinery's assessment, the panel wrote that Chevron's values were based on exaggerated calculations in some areas and “unbelievable” calculations in others. Chevron also accused the assessor of intentionally miscalculating the taxable worth and perhaps violating state law.

After expert testimony and 35 days of hearings, the panel sided more often with the assessor's experts than Chevron's. The board raised the refinery's fair market value to \$3.7 billion, \$4.4 billion and \$3.8 billion for 2007, 2008 and 2009, a 9.5% to 23% increase over the assessor's original valuation. Chevron estimated worth at \$1.8 billion, \$1.4 billion and \$1.1 billion for the same years, receiving a partial victory in 2009 when an appeals board awarded it a \$17.8-million refund on 2004–2006 taxes, short of what the company sought (another decision is pending in Contra Costa Superior Court). The company also appealed 2010 and 2011 values.

The county estimated it spent \$4.1 million on litigation costs since 2009, not including staff time or legal bills from years 2004–2008. For documents, see [www.docstoc.com/docs/117804065/Chevron-07-09-tax-appeal-decisions](http://www.docstoc.com/docs/117804065/Chevron-07-09-tax-appeal-decisions) and the scrolling column to the right on related documents.

## Legal Brief

*Connie Hancock, Floyd County Property Valuation Administrator, et al. v. Prestonsburg Industrial Corporation, et al.*, 2010-SC-000376-DG Kentucky Supreme Court ruled that a private, non-profit entity that acquired and marketed property to attract new business did not qualify for an exemption from paying ad valorem real property taxes. The Prestonsburg Industrial Corporation (“PIC”), a non-profit industrial development company founded in 1968, had not paid real property taxes on property it acquired, improved and marketed to potential businesses. Court determined that PIC was not entitled to a tax exemption because it was neither a governmental agency nor a purely public charity exempt from taxation. In 2001, PIC purchased a 100-acre [40-ha] parcel from the city, which Floyd County sought to tax. Apparently, no efforts to tax PIC's property previously occurred. PIC claimed an exemption, but was denied by the Revenue Cabinet and upheld in appeal by the Kentucky Board of Tax Appeals. On appeal, Floyd Circuit Court disagreed and granted the exemption, finding PIC was a charitable organization and exempt. Kentucky Court of Appeals agreed. Supreme Court reversed the ruling, finding PIC's efforts to increase commercial activity was not pure public charity (although one justice dissented, arguing that bringing new business, increasing tax receipts and employing citizens were benefits that constituted pure public charity). The decision evidences the Supreme Court's restrictive inter-

pretation in section 170 of the Kentucky Constitution: a footnote in the decision would indicate that because an entity has achieved 501(c)(3) status, its real property will not automatically be exempted from taxation. Further, the decision would appear to allow for retroactive collection of property taxes from similar private industrial development groups that can no longer claim exemption; anyone who acquired property from such an entity may find property is subject to a lien for retroactively assessed taxes. See [www.dinsmore.com](http://www.dinsmore.com).

## Factoid

According to the State of New York's Department of Taxation and Finance, there are 983 taxing authorities, of which 468 hold periodic reassessments. Property Assessment Grievance Day was May 22 in most communities in the state. See [www.tax.ny.gov](http://www.tax.ny.gov).

# Resources: New & Noted

## ***Recognition of Energy Costs and Energy Performance in Real Property Valuation (2nd ed.)***

Institute for Market Transformation & The Appraisal Institute  
May 2012. For the 48-page PDF, see [http://imt.org/files/Energy\\_Reporting\\_in\\_Appraisal.pdf](http://imt.org/files/Energy_Reporting_in_Appraisal.pdf).

## ***First Things First: Why Tax Reform Must Begin with Spending Restraint***

By Don McIver

Atlantic Institute for Market Studies

Before pursuing tax reform, Don McIver argues that governments need to cut spending and set priorities. “What programs and services is government going to fund, and who are we going to buy those services from? Only then should we discuss who to tax to pay for them,” he said. McIver explains how tax and spending systems could be restructured to improve efficiency and effectiveness while achieving equity outcomes. He calls for all levels of government to immediately and cooperatively perform a dramatic review of their spending and make cuts before attempting tax reform. “This spending review should ensure that the level of government delivering a service also collects the taxes or fees associated with funding that service,” McIver said. “Boutique tax credits and special exemptions should be eliminated wherever feasible.” See [www.aims.ca/en/home/library/details.aspx/3342](http://www.aims.ca/en/home/library/details.aspx/3342).

From the Institute on Municipal Finance & Governance:

- ***You Get What You Pay For: How Nordic Cities Are Financed***

By Jørgen Lotz

Describes taxation and expenditure patterns by Nordic authorities, which deliver many public welfare services and rely largely on income taxes and intergovernmental transfers for funding.

- ***Property Tax Reform in Vietnam: A Work in Progress***

By Hong-Loan Trinh & William McCluskey

In the transition from a centralized, subsidized economy to one based on market principles, Vietnam started to establish property rights. With this, focus shifted to reforming real property tax from that largely based on rice productivity to one based on ad valorem principles.

- ***Property Tax Reform in Ontario: How Did We Get Here? Where Do We Go?***

By Enid Slack

April 18, 2012 presentation at the International Property Tax Institute's Property Tax Summit.

For resources above, see [www.munkschool.utoronto.ca/imfg](http://www.munkschool.utoronto.ca/imfg).

## ***Apple Reports High Rate, Saves Billions on Taxes***

By Martin A. Sullivan

Apple's tax bill in the United States would have been \$2.4 billion higher last year, according to a study by this former Treasury Department economist. The company paid worldwide taxes of \$3.3 billion on its reported profits of \$34.2 billion for a 9.8% tax rate, noted an article in the *New York Times*. By comparison, Wal-Mart paid worldwide taxes of \$5.9 billion on its profits of \$24.4 billion, for a tax rate of 24%, approximately average for non-tech companies. After a lobbying campaign led by Apple, Cisco, Oracle, Intel and other companies, California reduced taxes for corporations based there but operating in taxless states and countries, as Apple does in Nevada and Luxemburg. Legislative analysts say the change will eventually cost the state \$1.5 billion a year (in a browser, enter search term “bill analysis AB15X3”). California continues to face a budget crisis with a shortfall of more \$16 billion this fiscal year, up from \$9.2 billion forecast in January. The late Steve Jobs, Apple's chief executive, addressed Cupertino's council last June when seeking approval to build a new headquarters. One member asked how residents would benefit; could Apple provide free wireless, as Google had in neighbouring Mountain View? “I've always had this view that we pay taxes, and the city should do those things,” Jobs replied. “Now, if we can get out of paying taxes, I'll be glad to put up Wi-Fi,” also suggesting that if council was unhappy, Apple could move. The company is Cupertino's largest taxpayer, with more than \$8 million in property taxes assessed last year. Philanthropy and job creation do not offset companies' decisions to circumvent taxes: “When it comes time for all these companies – Google and Apple and Facebook and the rest – to pay their fair share, there's a knee-jerk resistance,” said Brian Murphy, president of De Anza College. “They're philosophically antitax, and it's decimating the state.” See <http://taxprof.typepad.com/files/134tn0777.pdf>. Also see “How Apple Sidesteps Billions in Taxes,” April 28, 2012, at [www.nytimes.com](http://www.nytimes.com).

## ***Understanding and Appraising Properties with Accessory Dwelling Units***

By Martin John Brown & Taylor Watkins

What is the value of a granny flat? A research paper found it could be greater than first thought when based on an income approach versus a standard sales approach for accessory dwelling units (ADUs). People want to maintain their homes and social connections as they grow older, but this reality is challenged by unsuitable living space design, a growing need for help with tasks and limited incomes. “An ADU could be a significant resource for such a homeowner, providing her with a new, smaller and more appropriately designed dwelling, or

perhaps needed income as a rental, or even handy caretaker lodging,” the paper notes. “While municipalities promote ADUs for social and environmental benefits, appraisals and lending on properties featuring ADUs are complicated by inaccurate perceptions of these dwellings, and by certain institutional policies.” Since 2000, dozens of municipalities have altered policies to encourage these units. In Portland, Oregon, 431 were permitted out of more than 148,000 properties where zoning allowed. The paper provides a primer on defining qualities and describes difficulties appraising such properties. It also tests two income-based formulas and valuations for 14 Portland properties and illustrates statistics in simple questions about the relationship of valuations to sales prices. For the 19-page PDF, see [www.appraiserresearch.org](http://www.appraiserresearch.org); click on Research and scroll to the publication.

## Quirky but true...

**T**he Adopt-a-Hydrant application encourages Boston residents to commit to dig out fire hydrants covered in snow. An open source app, any city can use the code (yes, this means yours...). Honolulu uses it to recruit citizens to check on tsunami sirens, and Seattle citizens will clear clogged storm drains. The app was one project in Code for America, a non-profit organization providing fellowships for technology experts to go “into the wilds of City Hall,” said its founder, Jennifer Pahlka. A speaker at a TED2012 conference, Pahlka said, “we need to understand that government is not the same thing as politics, and that voting can’t be our only input into the system of government ... . [W]e are not going to fix government if we don’t also fix citizenship.” The applications that fellows build fit a certain model: as web apps, they are to enable cities to engage with residents to reduce administrative costs; apps support government transparency and collaboration; and apps built for one city must be able to be used by any other city. See the growing list at <http://codeforamerica.org/what-we-do>. Also see <http://adoptahydrant.org>.

### WORK WORD

**secure**, *adj.* No hacker would be interested in corrupting this.

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

## Transitions

In British Columbia, the District of Mission appointed **Ken Bjorgaard** as Chief Administrative Officer. In the Town of Sidney, **Randy Humble** moved to Chief Administrative Officer. **David Trawin** is the City of Kamloops’s new Chief Administrative Officer. City of Port Moody announced **Kevin Ramsay** as its new City Manager.

In Alberta, St. Albert appointed **Patrick Draper** as City Manager. **Kelly Kloss** was appointed City Manager/ CAO for the City of Fort Saskatchewan.

In Ontario, Collingwood elevated **Ed Houghton** to Acting Chief Administrative Officer. **André Côté** joined the University of Toronto’s Institute on Municipal Finance and Governance as its Manager, Programs and Research. **iLOOKABOUT** announced a multi-year services contract with the Municipal Property Assessment Corporation (MPAC) for digital imagery and related spatial products and services as the vendor of record for street-level and ortho-imagery as well as spatial data. The value of core services will be several million dollars over the initial three-year term. According to MPAC, Ontario is one of the largest property tax assessment jurisdictions in the world, assessing nearly 5 million properties and with a database that contains more than two billion pieces of data. See [www.ilookabout.com](http://www.ilookabout.com).

*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](mailto:cmartin@longwoods.com).*

### QUOTABLE QUOTE

“The worst governments are those with double ideologies, where a political doctrine is backed by a religious one ... .”

— Northrop Frye, *Late Notebooks, 1982–1990: Architecture of the Spiritual World*, volume 5: 500.

# Coast to Coast to Coast to Coast

## Canada

### British Columbia

Appeals in **Whistler** dropped significantly from last year, with 70% fewer challenges to assessed values in 2012. With 15,214 properties assessed, 114 owners – less than 1% – filed appeals, compared to 489 appeals filed last year with BC Assessment, said Jason Grant, the Sea to Sky assessor. “Provincially, we experienced a drop of about 25% in appeals. Typically, around 1% is becoming the more typical appeals figure.” In Pemberton, of 1,307 properties assessed, 14 residents filed for appeals, with eight assessments changed. “There’s just more and more tools for people to get in touch with us or [find] the data they need,” said Grant. Of Whistler appeals, 19 came from the Cheakamus Crossing neighbourhood, where a controversial asphalt plant is located: the review panel decided to hear all those cases before it decided against altering assessments owing to a lack of evidence for comparing sales and values. These properties may be reviewed in next year’s assessments.

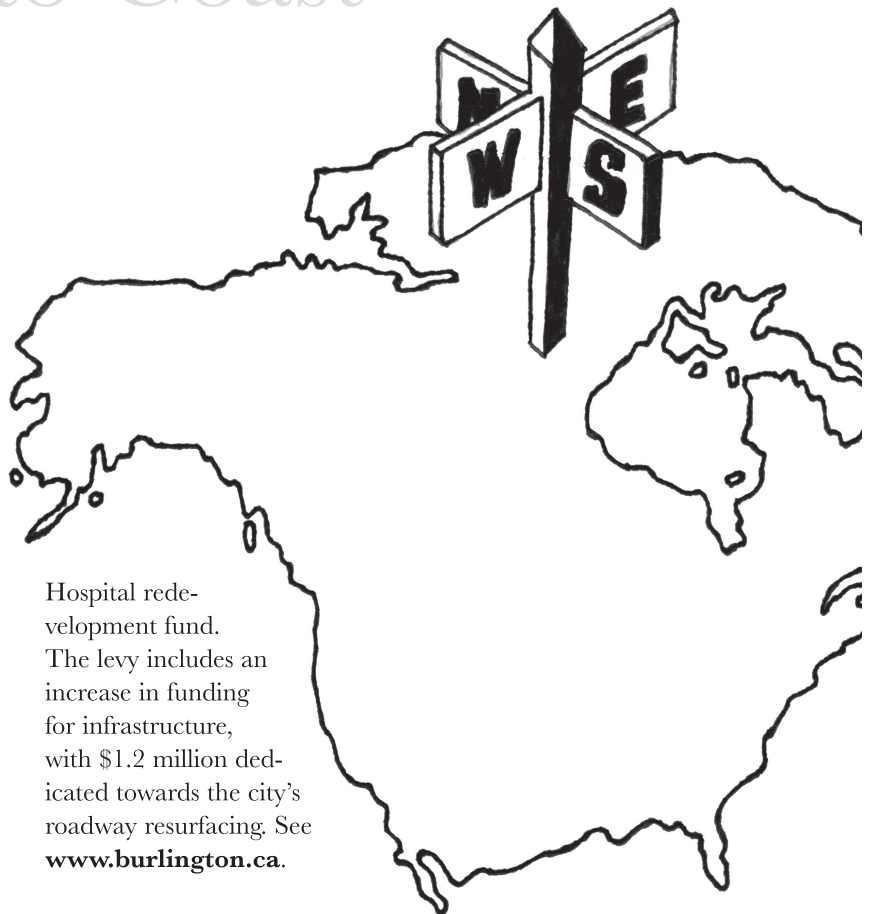
The average **Nanaimo** residential assessment is estimated to decrease by 1.79%. The city’s property tax estimator uses a 3.9% increase for residential municipal taxes. To access its Online Property Tax Estimator, see [www.nanaimo.ca/property\\_tax/estimator.aspx](http://www.nanaimo.ca/property_tax/estimator.aspx).

### Saskatchewan

**Regina** will reassess property values later this summer, as mandated every four years by the Cities Act. The 2013 reassessment uses a base date of January 1, 2011; the last assessment in 2009 had a base date of June 2006. According to Canada Mortgage and Housing Corporation’s fall 2011 *Housing Market Outlook*, the average price of residential units rose from \$125,000 in 2006 to an estimated \$285,000 in 2012. Between 2006 and 2011, the amount of municipal property tax the city collected climbed from \$95.7 million to \$136.2 million, with the city expecting \$144.7 million this year. Don Barr, Director of Assessment and Taxation, said it will be a public communications challenge to inform residents of the changes that have occurred since 2006.

### Ontario

**Burlington** council approved a 2012 tax levy bylaw that allows the city to bill 2012 property taxes and set payment due dates of June and September, in the budget processes of the city and Region of Halton. The overall tax increase is 1.79%, or \$16.96 for each \$100,000 of urban residential assessment. The levy includes an additional \$1.2 million, for a total 2012 contribution of \$2.4 million to the Joseph Brant Memorial



Hospital redevelopment fund. The levy includes an increase in funding for infrastructure, with \$1.2 million dedicated towards the city’s roadway resurfacing. See [www.burlington.ca](http://www.burlington.ca).

### Nova Scotia

The province is proposing that **property owners have access to sales information and an improved assessment system**, under amendments to the *Municipal Government Act* and the *Assessment Act*. An amendment to the *Municipal Act* would allow the publication of real estate sales prices and related information from deed transfer tax affidavits, now available on a limited basis. Nova Scotia is the only province in Canada that does not allow government to publish property sales prices. *Assessment Act* amendments would extend the time to appeal assessments another 10 days. Currently, property owners have 21 days to appeal after assessment notices are mailed. The time allowed to file appeals of amended or confirmed assessments would also increase from seven days to 14. Legislation will change the name of the Regional Assessment Appeal Court to the Nova Scotia Assessment Appeal Tribunal and clarify its authority as a tribunal that will be able to require disclosure from appellants or assessors when hearing appeals. Appellants would be given 14 days’ notice of a hearing rather than the six given for the current appeal court. Changes are expected to be implemented in time for assessments in 2013.

USA (NB: All figures in US\$)

### **Pennsylvania**

**Philadelphia** is proceeding with a new assessment system anticipated to bring in an extra \$90 million, with taxes based on new Actual Value Initiative (AVI) assessments. Mayor Michael Nutter said assessments will include the rise in values since 2004, the last time significant reassessments were done. Taxes collected are expected to be \$458 million next year, the same amount as this year, with taxes to the school district expected at \$673 million. Assessors from the Office of Property Assessment surveyed the city's 577,000 properties and expect to be finished in June. Assessments were halted in 2010, and the new office was created after voters approved a plan to abolish the Board of Revision of Taxes. The board had a history of political patronage and inaccurate assessments, but will now remain in place for appeals.

Also at issue in **Philadelphia** is the common level ratio computed by the State Tax Equalization Board (STEB). Counties are to submit monthly property sales figures to compare prices to assessments and to calculate average assessed ratios for all properties. STEB publishes those figures on July 1 the following year. Philadelphia's complication is that it plans a simple full-value system this year. State law allows counties to assess properties at any percentage if it is the same for every property. For more than 20 years, Philadelphia used 32%. As long as the city's ratio stayed within 15% (27.2%), it could hold owners to that standard but if the rate fell below, the actual common level would become the appeal standard. On July 1, STEB decreed the 2010 common level to be 18.1%, which brought more successful appeals and lower tax bills.

### **Virginia**

On its southern shore, **Norfolk** is in a battle with the rising sea, particularly floods causing major property damage in nearly annual occurrences, with proposed solutions costing upwards of \$300 million. William Brangham, producer of PBS's *Need to Know*, argues that public policy such as subsidized flood insurance influences waterfront development. By maintaining such policies, government softens the risk of building in untenable areas at the expense of taxpayers everywhere. "The private insurance industry got out of writing flood policies in risky areas many years ago, and now the federal government is currently the biggest backstop for losses in flood-prone areas," he wrote. Mayor Paul Fraim proposed retreat zones to designate areas unfit for future development because "in the next 20 or 30 years, there will be places in the city that will just contain water all the time, and we need to be prepared for that inevitability." See [www.grist.org](http://www.grist.org) and type "Norfolk" into the search box.

### **Arizona**

Arizona Tax Research Association's proposal to **limit valuation increases** to 5% per year is to be modelled on

California's anti-Proposition 13, said Lynne Weaver, chair of Proposition 13 Arizona. Concerned that the local school district carries some \$500 million of long-term debt with secondary property taxes servicing debt, Weaver's group worries the governor's proposal will double the debt load. "Am I the only one aware of what is going on in Greece and Spain?" asked Weaver, whose group is a citizens' initiative to transition the state to an acquisition value system using purchase price as the basis, including decline-in-value provisions such as California's Proposition 8 for properties where values have fallen below the purchase price. The total tax rate cannot exceed 0.5% for all residential properties including rentals, second homes and apartment buildings, or exceed 1% for all other property, including commercial. Tax caps apply to ad valorem and non-ad valorem taxes, eliminating all exceptions to caps including parcel taxes and overrides. The legislature could set the tax rate lower for everyone or groups of their choice, not exceeding tax caps. See [www.prop13arizona.com](http://www.prop13arizona.com) and [www.arizonatax.org](http://www.arizonatax.org).

### **Florida**

Municipalities in South Florida formed the Green Corridor Property Assessment Clean Energy (PACE) District, to allow property owners to finance green improvements through local government. **Miami** commissioners approved the program for commercial properties for the first year and said they would revisit it for single-family homes and duplexes. Supporters of the program say PACE will enable property owners to take energy-efficient measures, help reduce carbon emissions and boost the local economy. PACE allows property owners to finance improvements through county-issued bonds and repay through a special assessment tied to property taxes. According to Ygrene Energy Fund, activity generated in Miami by commercial renewal energy and efficiency projects over the next five years will inject close to \$837 million in economic benefits.

### **New York**

**Auburn's** residential improvement exemption, adopted in the early 1990s, grants tax exemptions to property owners who increase the value of properties by at least \$3,000 and no more than \$80,000. In the first year after improvements, homeowners are fully exempt from paying taxes on the increased portion of assessments. After that, taxes are increased by 12.5% each year until the ninth year, when the project is fully phased in. "It helps out the neighbourhood, increases the housing stock value and keeps the tax rate down if the value goes up," said city assessor Michael Burns, adding that 382 residents are receiving benefits, with overall housing value rising by \$3 million. Working closely with city codes enforcement, assessors notify homeowners of the program when they detect an eligible improvement. Burns also said PILT exemptions in 2012 cost the city, county and school district approximately \$1.1 million in net tax revenues, adding \$102 per year onto tax bills for an average \$90,000 home.

# Index

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*Note to the index below:* Regular readers might notice the index hasn't followed the general yearly pattern and if this is problematic, we do apologize. In the attempt to move to an online edition, indexing has been lax, anticipating this change. We will inform readers of any alterations to print editions of Focus and welcome your feedback to Cynthia at [cmartin@longwoods.com](mailto:cmartin@longwoods.com).

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