IPTI Xtracts

Property Tax and Assessment News from Around the World

CANADA – August 2020

CONTENTS

A tax on home equity would hurt Canadians during the best of times — but right now it would be reckless

Every so often, an idea comes along that is so out of touch and unfair that it unites pretty much everyone in their disapproval.

Recently, the Canadian Mortgage and Housing Corporation (CMHC) appeared to be doing exactly that when media reports suggested the federal housing agency is researching a new home equity tax on primary residences.

According to reports, CMHC is spending $250,000 in partnership with the University of British Columbia's School of Population to investigate ways to tax the equity Canadians have gained in their homes.

CMHC has denied that a capital-gains tax on primary residences is in the works. But where there's smoke, there's fire.

A home equity tax would be unfair and hurtful to Canadians during the best of times, but at this very moment — during a global pandemic — it is reckless. Across the country, people have lost their jobs or a significant portion of their income and are struggling to make ends meet. For them, their home equity could be a lifeline during these uncertain times and beyond.

While the CMHC backpedalled from a home equity tax after the media uproar, they were clear that their goal is to level the playing field between homeowners and renters by making home ownership less attractive. Their research partner at UBC has been leading the charge for higher taxes on home ownership to make owning more equivalent to renting.

"Our 'dream of home ownership' is static and regressive," CMHC CEO Evan Siddall said in a recent speech. "We need to call out the glorification of home ownership for the regressive canard that it is," he said.

The Ontario Real Estate Association decided to ask people what they thought of a new home equity tax. It is adamantly opposed. According to a recent Nanos Research report, more than six in 10 Ontario residents would oppose (50 per cent) or somewhat oppose (13 per cent) a new capital gains tax when someone sells their primary residence. Only 16 per cent liked the idea. For homeowners, more than 72 per cent opposed the CMHC tax grab on the value of their homes.

This is hardly a surprise. Homes are taxed enough as it is.

Hardworking Canadians already pay taxes on their income. They work hard to save what is left of their income to purchase a home only to pay a punishing land transfer tax when they finally get the keys. They continue to pay property taxes every year. They pay sales taxes when they improve their home and then get slapped with even higher property taxes for making it a better place to live.

Over time, homes build equity. For many, this is what they rely on for retirement or a rainy day. First and foremost, it is the family home and the place of our fondest memories. But it is also a safety net and a proven investment.

Recently, the CMHC has taken several opportunities to talk down the Canadian value of owning a home. This new ideology at the CMHC is contrary to its historic role of building a strong, vibrant Canadian middle class by supporting responsible and affordable home ownership.

The notion that governments can tax their way to housing affordability is ludicrous. Lowering the tax and red-tape burden on homes — especially for first-time home buyers — would be a helpful step toward affordable home ownership.

Home ownership is an abiding Canadian value. It has proven to build stronger and more stable communities. Creating more affordable options and greater choice in the marketplace should be a focus of all governments. Increasing housing supply and accelerating the approvals process would make a big difference.

Modernizing local planning rules set in the era of disco would open up more housing choices such as laneway homes, intensifying along major transportation corridors and building above transit stations.

Instead of being an advocate for an ideological fad that undermines the value of middle-class homes, the CMHC should return to focusing on practical and affordable ways to support the Canadian dream of home ownership.

ALBERTA

Rural municipalities told to ‘stop crying wolf’ over proposed property tax changes

Rural Municipalities of Alberta President Al Kemmere said 69 counties and municipal districts represented by the RMA stand to lose up to 40 per cent of their tax base.

Fears are growing amongst rural Alberta municipalities about a proposed UCP plan to give oil and gas companies property tax breaks at the expense of residents.

But the head of the Canadian Taxpayers Federation says the municipalities should “stop crying wolf” and get to work cutting their own taxes.
“If municipal councillors and mayors were half as worried about finding savings as they are about trying to grab more tax dollars then many more of our challenges would be solved by now,” Franco Terrazzano, Alberta Director of the CTF, told the Western Standard.

The proposed changes are a way to bring relief to Alberta’s struggling oil and gas companies and a report outlining four possible linear taxation models was given to the UCP caucus last month.

Rural Municipalities of Alberta President Al Kemmere said 69 counties and municipal districts represented by the RMA stand to lose up to 40 per cent of their tax base.

A survey released by the RMA in January said the oil and gas sector also owes $173 million in unpaid taxes to rural municipalities.

“Nobody lives in a Cadillac world here – rural Albertans often get by with the marginal, but when you reduce like this, it’s going to hurt,” Kemmere told the CBC, adding some municipalities might not survive the possible changes.

“To collect what we’re losing, it’s almost a non-realistic approach. We’ve got some members that are going to have to double their present tax rates within the residential sector. And that’s just not doable.” Lacombe County officials are preparing for a worst case scenario of a 39 per cent increase.

One of the plans would see a $4-million drop in revenue for the County of Vermilion River, according to Reeve Dale Swyripa. That would mean increasing the residential mill rate by 109 per cent, increasing the non-residential mill rate by 25 per cent, cutting services by 45 per cent or a combination of all.

The M.D. of Wainwright said they could lose $6.9 to $9.4 million or 22 to 30 per cent of their total tax revenue. The M.D. may have to increase the residential tax rate by 290 to 393 per cent and the non-residential tax rate by 37.4 to 58.4 per cent.

Camrose County is looking at increasing the residential mill rate by up to 56 per cent, the non-residential mill rate by 32 per cent.

“This isn’t a Camrose County issue. This is a rural issue,” she said. “There is no county in Alberta that will not be affected,” Reeve Cindy Trautman told CBC.

In Northern Sunrise County, the residential mill rate would have to be hiked by 200 to 500 per cent, or the county’s workforce — and corresponding services — cut by up to 80 per cent.

But Terrazzano said: “Northern Sunrise County is one of the biggest spending municipalities in Alberta, spending $17,000 per person annually!”

“A huge place all municipalities (including Northern Sunrise County) needs to cut is labour costs. Through the downturn (2014-2018), municipal government labour costs across Alberta increased by 17 per cent while all employee compensation in the province declined by 6 per cent.

Cypress-Medicine Hat UCP MLA said his phone has been ringing off the hook with worried residents.

“I’ve probably had about 30 calls in the last 24 hours,” Barnes told the Western Standard before stepping into a meeting Wednesday afternoon with municipal affairs officials.

“I’m glad the government has not finalized anything and is open to discussion. We have to do everything we can to leave money in the hands of citizens and every municipality has room to improve.”

But he said the government also needs to work with companies and suggested cheaper access to the Alberta Energy Regulator for them as one possible idea.

“If we don’t do something to arrest the trend of industry bankruptcies and financial insolvencies, there’s not going to be a long term or an industry in some of these communities, so the assessments are going to go to zero," Ben Brunnen, vice-president of oilsands with the Canadian Association of Petroleum Producers, told CBC.

"It's one of those scenarios where everyone needs to sacrifice a little bit."

The province says no policy decisions have been made.

It's going to hurt': Tax break for oil and gas firms would drain rural budgets, communities warn

Alberta's rural councils anxious about taxation proposals being reviewed by gov't

A plan to give oil and gas companies a break on municipal property taxes would deal massive blows to the revenues of Alberta's rural governments, warns a group representing the province's counties and municipal districts.

If the overhaul to the provincial rate assessment model is pursued, rural councils would be forced to balance their budgets through steep residential tax hikes or deep cuts to municipal services, said Al Kemmere, president of the Rural Municipalities of Alberta (RMA).

Some rural municipalities simply may not survive, Kemmere said.

"Nobody lives in a Cadillac world here," Kemmere said. "Rural Albertans often get by with the marginal, but when you reduce like this, it's going to hurt.

"Municipal viability hangs on this, in a lot of cases. Under this new model, will the municipality be viable within the next five years?"

The proposed changes are the result of a year-long, government-led review to provide relief to Alberta's struggling oil and gas operators.

Consultations, led by a committee made up of industry and government representatives, began in December, and a report outlining four possible linear taxation models was given to the governing United Conservative Party's caucus last week, Kemmere said.

Doubling residential tax rates 'just not doable'

The province says no policy decisions have been made and it continues to consult with municipalities.

At issue are property assessment practices for oil and gas operations. The current system evaluates them on replacement cost — not market value — a practice industry and government officials say overvalues industry assets and inflates tax bills.

The four model scenarios look at factors such as asset depreciation, base costs, land assessment and other adjustments.

According to an RMA report, the proposed reforms would result in revenue cuts ranging from seven to 20 per cent annually. Some of the 69 counties and municipal districts represented by the RMA stand to lose up to 40 per cent of their tax base, Kemmere said.

To deal with pending revenue loss, some regions are looking at increasing the residential mill rate by up to 50 per cent, but rate increases could be significantly more for communities that rely more heavily on tax revenues from oil and gas companies.

"To collect what we're losing, it's almost a non-realistic approach," Kemmere said. "We've got some members that are going to have to double their present tax rates within the residential sector. And that's just not doable."

People from a variety of rural municipalities converged on the Alberta Legislature Thursday to protest changes to oil and gas funding models. (Wallis Snowdon/CBC)

'Drastic cuts'

In Northern Sunrise County, the residential mill rate would have to be hiked by 200 to 500 per cent, or the county's workforce — and corresponding services — cut by up to 80 per cent, its council said in a news release.

The council hopes to join with other rural municipalities for a Thursday protest outside the legislature.

Camrose County, southeast of Edmonton, is looking at increasing the residential mill rate by up to 56 per cent, the non-residential mill rate by 32 per cent, reducing the county workforce by one-third, or a combination of those measures, said Reeve Cindy Trautman.

This is a rural issue. There is no county in Alberta that will not be affected.

- Camrose County Reeve Cindy Trautman

Reductions in services such as bylaw enforcement, road maintenance, waste and transportation are also being considered, she said.

Each of the four proposed scenarios would reduce county tax revenues in Camrose by about nine per cent, Trautman said. Up to $2.9 million would be cut from overall revenues in the first year alone.

"Even at the lowest rate we will have to make some drastic cuts," she said.

"This isn't a Camrose County issue. This is a rural issue," she said. "There is no county in Alberta that will not be affected."

Cash-strapped rural Alberta 'can't wring money' from struggling oil and gas firms, premier says

Years of low oil prices have left many small oil and gas producers in dire straits and rural communities are already struggling with unpaid taxes from the sector. A survey released by the RMA in January said the oil and gas sector owes $173 million in unpaid taxes to rural municipalities, double the amount in a similar report last spring.

Trautman said Camrose County has $1.1 million in unpaid industry taxes on the books. A number of companies operating in the area have gone bankrupt or are in the process of dissolving.

"We want everyone to succeed but we don't want counties to be taken down because of it," Trautman said. "It feels like another download onto the county."

'Everyone needs to sacrifice a little bit'

Ben Brunnen, vice-president of oilsands with the Canadian Association of Petroleum Producers, said some municipalities will see increased revenue from the rate changes, a fact also noted in the RMA analysis of the scenarios.

Communities that don't immediately benefit would still reap the rewards in the long term through new jobs, increased investment — and by saving companies from bankruptcy, he said.

Unpaid taxes from oil and gas companies have more than doubled to $173M in rural Alberta
"If we don't do something to arrest the trend of industry bankruptcies and financial insolvencies, there's not going to be a long term or an industry in some of these communities, so the assessments are going to go to zero," Brunnen said.

"It's one of those scenarios where everyone needs to sacrifice a little bit."

Kemmere said that the proposed changes could hurt small oil and gas operators, noting that the reforms seem to favour large companies.

"This is putting money into the big businesses who often have offshore or out-of-the-province shareholders that are potentially going to put that in their pocket," he said.

One of the UCP's first steps to provide tax relief to Alberta's oil and gas operators was an immediate 35 per cent cut in municipal taxes on shallow gas wells and pipelines, announced in July 2019. During that first year, the province compensated municipalities for their losses.

No further compensation will be provided by the Alberta government.

Consultation ongoing
In a statement to CBC News, a Municipal Affairs spokesperson said consultations about the taxation reforms and assessment of oil and gas properties and assets are ongoing.

"We know that any potential solution needs to find a balance between the well-being of our municipalities and the viability of the companies that invest and create jobs in those municipalities," reads the statement.

"Alberta's assessment model for linear taxation has not been updated since 2005. That said, the government is consulting with municipalities and industry to determine the best path forward."

Trautman said consultation with individual communities has been limited. Details of the taxation schemes were provided to local governments late last week, she said.

Camrose received notice on Thursday to prepare for a possible rate change this fall, leaving local governments scrambling to contend with the potential budget shortfalls, she said.

"Because our tax notices were sent already, there's no opportunity to make it up. We're very reluctant. We don't want to pass this on to ratepayers if at all possible."

BRITISH COLUMBIA

Homeowners obtain mixed results before Property Assessment Appeal Board

Appellants from West Vancouver and Richmond lost their cases, whereas a Vancouver couple received a reduction in land value

It's been a brisk housing market this summer, with sales reaching historic highs in Metro Vancouver in July.

And this has coincided with homeowners obtaining mixed results in recent attempts to gain lower assessments from a provincial review board.

On August 25, Property Assessment Appeal Board panel chair John Bridal tossed out a case filed by a West Vancouver appellant.

Liwei Ji sought a reduction in the $4.62-million assessment of a $7,191-square-foot single-family dwelling and lot in the Queens-Dundarave area.

According to the ruling, Ji argued that it should have been at the "low end of the $4 million range to $4.3 million range". The area assessor, on the other hand, argued that the home actually has a market value of $4.9 million.

Bridal concluded that the assessor’s estimate was "the best available indication of the subject’s market value as of the July 1, 2019 valuation date".

"Regarding the equity of assessment, I find no persuasive evidence to demonstrate the subject’s assessment should be modified for reasons of unfairness or inconsistency," Bridal added. "I note the subject is assessed below its market value.

"However, with the Assessor not seeking an increase, I will not order one," he continued. "Therefore, I conclude the subject’s assessment should be maintained."

Kits and Richmond residents also appeal

Eight days earlier, the board reduced the assessed value of residential land by $93,100 in Kitsilano.

Property owners Diana and William Schmidt maintained that they deserved a break of $141,100, basing this on nine property sales in the area. They own a 95-year-old one-storey home in the 3100 block of West 10th Avenue.

The assessor argued that some of those sales were not comparable—and that needed to be taken into account by the board.

Panel chair David Lee found that, with one exception, the assessor "adequately reflected the market value for the comparables".

"Given the information the Appellants provide, I do not see any evidence of an inequity in the value of the Property, particularly in light of the new value I have found," Lee wrote in his decision.

In another board decision on the same day, Richmond homeowner David Chui was unsuccessful in his attempt to obtain a lower assessment on his home in the 3600 block of Williams Road in Richmond.

Chui felt that a valuation of $1,948,000 was more appropriate than the assessor's ruling of $2,134,000. Both Chui and the area assessor submitted data concerning seven property sales in the area.

The panel chair, Kimberly Jakeman, rejected one of them because it was only for land and did not have any buildings.

Corporations walk away

The real-estate rebound also coincides with several large enterprises abandoning appeals to the board.

For instance, Wal-Mart Canada Corp. chose not to proceed with an appeal of its assessment at 110151 King George Boulevard in Surrey.

TransLink withdrew its appeal to the Property Assessment Appeal Board for its site at 12444 King George Boulevard.

In Vancouver, Jim Pattison Group did not proceed with an appeal of its assessment at 1670 Georgia Street in Vancouver.

Also in Vancouver McDonald's Restaurants of Canada abandoned appeals for properties at 3600 West 4th Avenue and 3695 Lougheed Highway.

And in Burnaby, the Carter Auto Family dropped its appeal of an assessment at 4550 Lougheed Highway. Down the road at 5180 Lougheed Highway, the Beedie Group is not proceeding with its appeal. And Shape Properties abandoned its pursuit of a lower assessment at 4150 Halifax Way.

Also in Burnaby, Cressey Development chose not to continue appealing an assessment at 5100 Capital Drive. And Dorset Realty pulled its appeal for its property at 7175 Pandora Street.

Flavelle sawmill on historic Port Moody site to be shuttered by end of October

A sawmill has operated on the Flavelle mills site since 1905, but its owner cites "disproportionately high municipal property taxes," as the reason for ending operations.

The Flavelle sawmill, last in a line of forestry operations that have occupied a central 14-hectare plot of Port Moody's waterfront since 1905, will fall silent at the end of October according to its owners.

Surinder Ghog, CEO of the AP Group of Companies, broke the news to Flavelle's 70 employees Monday afternoon citing "disproportionately high municipal property taxes" that hit $2.4 million in 2019 from $1.6 million the year before.

"It is now evident that there is no constructive path forward for this mill," Ghog stated in a news release.

A rising property tax bill wasn't the only consideration, said Bruce Rose, the company's executive vice-president. The mill had also received a substantial increase in lease rates on the water lots it uses for log storage on Burrard Inlet.

Combined, the two tax bills amounted to almost $3 million, which Rose said “is just not economic, is what it comes down to. There is just no rationale to invest any more money in this and attempt to get any return.”

There is a potential path forward for redevelopment of the 14-hectare site into some 3,400 condo units in towers up to 38 storeys, according to an initial master plan the company proposed to the city of Port Moody in 2018.

Port Moody council at the time approved the proposal as an amendment to the city’s official community plan.

However, AP Group’s conclusion came as a surprise to United Steelworkers Union Local 2009 president Al Bieksa, who said the membership there had been advocating on behalf of the company with its concern over property taxes, and thought they had a commitment the mill would keep running for a few more years.

Bieksa said the union was among those that advocated for a provincial legislative change that allowed for short-term exemptions to higher property taxes that would have come with that, for which he thought AP Group was going to seek an extension.

“We were promised that we were going to get a fair and equitable collective agreement,” Bieksa said. Their last agreement expired in 2017. “So everybody was kind of blindsided by the decision.”

Mayor Rob Vagramov said that exemption shielded the mill from “the significant increases they would have faced,” from the OCP change the company itself asked for.

However, the proposal wasn’t just to change the plan from industrial to residential, “but the single largest development in Port Moody history,” Vagramov said.

He voted against it as a councillor, Vagramov said, but “the previous council and administration gave them everything they asked for.”

Rose said the plan didn’t get as far as an application to rezone the property.

“It is still industrially zoned in Port Moody,” Rose said. “We’re just going to look at all options across everything, whether it’s industrial, commercial or whatever.”

Rose said Flavelle’s 40 million board feet worth of production will be shifted to its other mills or to third-party, custom-cut mills that it has arrangements with to meet the needs of customers.

However, Bieksa argued AP Group should lose an equivalent amount of timber-cutting rights, which is referred to as tenure, because the union had helped the company win a temporary measure calling for the property to be taxed as just a sawmill.

Rose, however, said AP Group doesn’t hold large amounts of tenure to start with and some of the production lost at Flavelle will be shifted to other mills represented by the United Steel Workers.

"We have five or six manufacturing operations in the interior, as well as other operations on the coast," Rose said. "This is first and foremost a forest products and operating company."

Residents of Vancouver neighbourhood refusing to pay property taxes until concerns regarding homeless camp addressed

In an online petition, Strathcona homeowners are pledging to withhold property tax payments until safety is restored for all residents of the community - including those who currently call the camp home

A group of homeowners in East Vancouver's Strathcona neighbourhood are declaring "tax resistance" until officials address their concerns about community safety related to a nearby homeless camp.

In a Change.org petition launched earlier this week, the homeowners are pledging to withhold property tax payments until safety is restored for all residents of the community - including those who currently call the camp home.

The homeless encampment, dubbed Camp K-T, popped up in Strathcona Park in June, after police evicted campers from CRAB Park, operated by the Vancouver Fraser Port Authority, and Oppenheimer Park.

In a declaration of intent, the petition's organizers said their neighbourhood "draws strength and resiliency from the diversity of its community, who include Indigenous people, multi-generational Chinese-Canadians, new Canadians, young families, pensioners, artists, activists, and most recently unhoused residents of Camp K-T."

They added, "Strathcona is a community where neighbours care for each other, and share a keen interest in community health and safety."

Homeowners' concerns stem from a steady increase in personal crime, property crime and public exposure to human and biohazardous waste over recent years, the petition explained. "These issues have worsened dramatically in recent weeks, to the point that many of our most vulnerable neighbours—including low-income seniors and children—feel too unsafe to use one of only two neighbourhood parks available to them."

The issues can be attributed to "government inaction in the face of obvious public health and housing crises," according to homeowners.

"We have been abandoned by our elected officials."

The petition, directed at the City of Vancouver, the B.C. Government and the federal government, is calling on signatories to withhold property tax payments to the City—"by way of deferral, assessment appeal or other lawful means"—until three demands are met.

Those demands include:

"A permanent end to displacement of Camp K-T by way of final relocation to sanctioned and safe refuges away from public park space where at least 300 unhoused local residents can find community, rest and the essential public services and utilities that they need and deserve.
A firm commitment from one or more levels of government to build 4,000 units of true social housing across Vancouver on a high priority basis.
A three-fold increase to the amount of sanitation and mental health support resources directed to restoring public health and safety in Strathcona."
Petition organizers said they would like to see elected officials respond to the public health and housing crises currently plaguing their neighbourhood with the same force that was applied to bending the COVID-19 curve.

"A single 60-bed high-barrier navigation centre will not suffice," they wrote. "We pledge to pay our fair share of property taxes when our community—which includes Camp K-T—finally receives its fair share of public health and safety resources."

To date, the petition has received over 570 signatures.

MANITOBA

Winnipeg city council mulling extending property and business tax deferrals

Winnipeg's city council is set to discuss the possible extension of property and business tax deferrals for two more months at an emergency meeting on Monday in light of ongoing challenges surrounding the COVID-19 pandemic.

Finance chair Scott Gillingham put forward the motion to temporarily waive penalties and administration fees for business and property taxes from 2020 until the end of November. The mayor seconded the motion.

"The motion is proposing extending the deferral period to assist businesses and property owners as they do their best to manage the economic impact the pandemic is having," Mayor Brian Bowman said in an emailed statement on Saturday.

The last business and property waivers are set to expire on Sept. 1 and Oct. 1, respectively.

The estimated cost of extending both waivers is just over $1.5 million, according to a report from the executive policy committee.

The Conference Board of Canada, a national think-tank, is predicting that economic activity will not return to pre-COVID-19 levels until the second half of 2021.

"The ongoing global pandemic continues to have a detrimental economic impact on numerous sectors of the economy," Bowman said.

City council is also set to discuss a motion to authorize overspending in the Winnipeg Fire Paramedic Service's 2020 operating budget for the purchase of non-medical masks.

NEW BRUNSWICK

Cities ask party leaders to commit to property tax reform

One area the group targets for change is the countryside, where property taxes are lower

Property taxes should go up for people living in local service districts, and the increased revenue should go to neighbouring municipalities, says the president of the Cities of New Brunswick Association.

Miramichi Mayor Adam Lordon says 85 per cent of New Brunswickers live within 50 kilometres of a city in the province.

And these people pay significantly less property tax than municipal residents, although they often use city infrastructure and recreation centres, increasing the tax burden on people living in the municipalities.

"Over time, what we see is a larger tax burden on citizens of municipalized New Brunswick … who are effectively compensating a portion of the taxes that people who live in LSDs should be paying," Lordon told Information Morning Fredericton.

Lordon said if people living in unincorporated areas paid increased property taxes, it could increase revenue by as much as $150 million, he said.

Expected PCs to act

Lordon said the group received assurances from the government of Progressive Conservative Blaine Higgs that municipal reform would be addressed.

While that commitment may still be there, Lordon said, it didn't materialize in the almost two years since the PCs took power.

"It is something that we'll look forward to pursuing and continuing that conversation with whomever forms the next government," he said.

"We're moving in the right direction of course, but we need to now see some of the hard work."

Infrastructure spending

The municipalities association is also calling on the next government to put more money into municipal infrastructure.

"We really haven't seen really very much support at all from the provincial government in renewing the assets, the infrastructure assets, in our communities big and small all across the province," said Lordon.

"That's something that really has to change because we need to have vibrant cities with good infrastructure in order to attract and retain citizens"

Property tax dollars, which are collected by the province, should go directly to the municipalities where the taxes are collected, Lordon said.

"We're really are the only province in Canada where the provincial government takes a portion of the property tax revenue.

"So that would certainly be part of the conversation of rebalancing the property tax equation."

Lordon said the association should have an official set of proposals to present to political parties next week.

NOVA SCOTIA

COVID-19 Property Tax Financing Program

The Municipality of Cumberland recognizes that many citizens and businesses have been significantly impacted by the COVID-19 pandemic. The Municipality is, therefore, offering a one-time property tax financing program for owners of residential and commercial properties negatively affected by the COVID-19 global pandemic. The COVID-19 Property Tax Financing Program Policy was approved by Council on May 20, 2020 and can be found here.

You qualify for the COVID-19 Property Tax Financing Program if you are the owner of:

- a residential property that is your primary residence, and you have experienced a significant reduction in income due to the State of Emergency;
- taxable commercial properties (shopping, office, industrial, farm) who have experienced financial hardship through loss of revenue related to the State of Emergency;
- a property that is used for tourist accommodations (e.g., hotels, motels, bed and breakfasts) and you are a registered tourism operator under the Tourist Accommodations Registration Act.

How does the program work?

If your application is approved, your property tax payments will be spread out over 30 months. Your first six (6) payments will be $25 per month. The remainder of your tax bill will be divided by 24 to get the monthly amount you will be expected to pay. A small amount of interest (1.35%) will be applied to your monthly payments.

Note: If you default on any of your monthly payments you will be taken out of the program and will be required to pay the full amount owing and interest rates will increase to the Municipality's normal rate of interest.

How do I apply?

Residents who believe they are eligible can apply through an online form. The information is being collected by the Association of Municipal Administrators (AMANS) and the Nova Scotia Federation of Municipalities (NSFM) on behalf of the Municipality. This information will be sent to the Municipality of Cumberland for review and approval.

Please note:

- The form must be fully completed for your application to be considered
- The deadline to submit your application is June 30, 2020
- The application must be completed by the owner(s) of the property
- You will be asked for your Property Assessment Account Number (AAN) which is on your Property Assessment Notice from Property Valuation Services Corporation (PVSC). If you don't have access to your Assessment Notice, there is a link on the form which will take you to the PVSC website where you can obtain that information.

A confirmation that your application has been received will be sent by email.

The Municipality of Cumberland will notify you when the application has been reviewed.

ONTARIO

Tory announces $1.7M in property tax relief for dozens of music venues

Mayor John Tory announced that $1.7 million in property tax relief will be provided to 45 live music venues in Toronto.

On Thursday, Tory spoke outside The Cameron House, one of the venues that will receive this targeted relief program.

The mayor was joined by Deputy Mayor Michael Thompson (Ward 21 Scarborough Centre), chair of the Economic Development and Culture Committee, night economy ambassador, and member of the

Toronto Music Advisory Committee as well as Councillor Joe Cressy (Ward 10 Spadina-Fort York), chair of the Toronto Music Advisory Committee.

“The expansion of this program to include live music venues is one way in which we can further protect the cultural vibrancy of our city. The music sector in Toronto has been heavily impacted by the COVID-19 pandemic,” Tory said.

“By providing relief to music venue owners and operators we can ensure that they have a greater chance of surviving and staying open.”

In July, city council adopted a bylaw to add 45 live music venues to the Creative Co-Location Facilities Property Tax subclass, including Burdock, The Cameron House, The Garrison, Horseshoe Tavern, Lula Lounge, The Painted Lady, The Phoenix Concert Theatre, and Relish Bar & Grill.

According to the city, the 45 live music venues will realize an estimated $1.7 million in combined tax relief – $0.92 million for the municipal portion and $0.78 million for the education portion of their combined property taxes.

It’s important to note that the tax reduction will be absorbed within the city’s overall commercial property tax revenue stream and will not impact residential property tax rates.

“On May 28, city council expanded the Creative Co-Location Facilities Property Tax Subclass to provide property tax relief for live music venues. As a result of this decision, properties that meet specific criteria are eligible to receive property tax relief of up to 50% for the qualifying areas of the building,” the release said.

Following this expansion in May, the city began accepting applications from live music venue operators, the deadline to apply was June 19.

This relief measure will be implemented through the final supplementary property tax notices that will be issued in the fall.

The city added that staff will analyze the impact of this cost-saving measure for live music venues and report to council in 2021.

“This measure is intended to remain in place beyond this year to support the long-term viability of Toronto’s live music sector,” the release notes.

More information about the inclusion of live music venues, including eligibility criteria, is available on the City of Toronto website.

Wellington County And Top Aggregate Producing Municipalities Call For Fair Approach To MPAC Property Valuation

Today, the County of Wellington along with other members of the Top Aggregate Producing Municipalities of Ontario (TAPMO) met with Stan Cho, Parliamentary Assistant to the Minister of Finance, to discuss the need to improve how aggregate properties are taxed across Ontario under an equitable valuation system. The meeting was held during the Association of Municipalities of Ontario (AMO) conference, where municipal and provincial policymakers come together to discuss the most pressing issues facing both levels of government.

Wellington County and other TAPMO members presented several policy-driven solutions to Mr. Cho that would make the Municipal Property Assessment Corporation's (MPAC) property tax valuations equitable. One proposed solution is for the Ministry of Finance to create a separate property class for these aggregate producing properties, as it did in 2015 for landfills which enabled municipalities to maintain stability in local taxation levels and meet the needs of their communities. Other recommendations include the Ministry of Finance issuing a directive to MPAC for how to assess these types of properties based on their true industrial or market value, using the same land values as comparable properties in the area, or removing the exemption of aggregate in the Assessment Act that limits the ability of MPAC to assess the full value of the property.

MPAC's current property tax valuation structure unfairly sees active gravel pits incurring less property tax than single family homes and small businesses. It also leads to properties that are located in the same areas and are similar to gravel pits receiving vastly different property valuations, which contradicts the principle of fairness and transparency underpinning our taxation system that similar properties should be treated and taxed equally. Arbitrarily classifying gravel pits as among the lowest forms of farmland sets an artificial cap on these producers' valuations and keeps their property taxes well below what they should be paying. In turn, residents and businesses are subsidizing the break that gravel producers are getting.

Aggregate sites are important job creators and an increasingly critical element of public works that help to fuel steady economic growth across Ontario, especially as part of municipalities' post-pandemic recovery. Yet, under the current MPAC valuation system, these sites generate significantly less revenue for municipalities and the Province than other possible uses for the same land, costing municipalities across Ontario millions of dollars in lost tax revenue every year and negatively impacts their abilities to deliver more fulsome services and programs to taxpayers. Ontario municipalities are therefore eager to find a solution that is fair for all involved: the municipality, taxpayers, and aggregate producers.

"COVID-19 has highlighted the urgency for a policy-driven, equitable approach. Municipalities across Ontario are fighting to continue providing a high standard of services to our families and businesses who need them now more than ever. The lost tax revenue undermines our ability to enhance those services at the time when our residents are suffering," said Warden Kelly Linton. "We know aggregate producers want to be part of the solution in terms of helping families and businesses get back on their feet – the very people who are carrying the burden of the current MPAC system."

"We had a very productive conversation with Parliamentary Assistant Stan Cho about how the current MPAC system is forcing homeowners and businesses to pay more, and we are eager to continue this dialogue," said James Seeley, Mayor of Puslinch. "Under a policy-driven, equitable approach, MPAC can enable gravel pits to pay their fair share so that they can continue supporting the municipalities at a time when we need their help most."

About The County of Wellington

The County of Wellington is located in south-western Ontario just over 100 kilometres west of Toronto along Highway 401. The County is made up of seven member municipalities including the Town of Erin, Town of Minto, Township of Wellington North, Township of Mapleton, Township of Centre Wellington, Township of Guelph/Eramosa and the Township of Puslinch.

About The Top Aggregate Producing Municipalities of Ontario (TAPMO)

The Top Aggregate Producing Municipalities of Ontario (TAPMO) are collaborating to work with industry partners and provincial decision-makers to developing a sustainable plan for aggregate extraction. Ontario's consumption of aggregate resources helps fuel steady economic growth and the demand for aggregate products is estimated to be four billion tonnes over the next 25 years.

Removing the property tax reduction for vacant commercial and industrial property

The City of Peterborough is consulting with the community on whether to remove the property tax reduction that's available for designated vacant and excess commercial and industrial properties.

Residents and business owners can submit comments on the Vacant Land Subclass Reduction review through a survey that is available on the City's online engagement portal, Connect Peterborough, at connectptbo.ca. The survey will close at 9 p.m. on Friday, August 14, 2020. For a hard copy of the survey, please contact the City at 705-742-7777 or at tax@peterborough.ca.

Eliminating the tax rate reduction for vacant and excess commercial and industrial properties would bring those property classes in line with residential and multi-residential properties, which don't get a similar discount.

In Peterborough, commercial land assessed as vacant or excess currently receives a 30 percent tax rate discount and industrial land assessed as vacant or excess receives a 35 percent tax rate discount. There are currently 189 properties in Peterborough with a vacant or excess land tax class. The tax rate discount for the program is expected to have a total value of $245,000 in 2021.

City Council approved consulting with the community regarding the proposed elimination of the Vacant Land Subclass Reduction. The consultation will inform the report with recommendations that will go to Council for its consideration.

Provincial amendments to the Municipal Act, 2001 outlined in Bill 70, Building Ontario Up for Everyone Act, allow municipalities to make changes to their commercial and industrial vacant and excess land subclass discount program.

Pandemic, new rules drive rental market

Home search portal Real Estate Wire (REW) now lists rental properties and in Toronto at least there are two key reasons why: ongoing issues relating to the pandemic and the influx of more units into the market as a result of new regulations that restrict short-term rentals.

The impact of COVID-19 is immense, according to a recent survey by the Vancouver-based company, whose portal contains MLS listings, agent recommendations and property valuation data.

The company was founded in 2011 with a singular mission – to help Canadians find their next home. The home search platform has more recently added rental capabilities to their web site, given the increase in renting options. particularly in urban centres such as Toronto.

Indeed, findings revealed that 45 per cent of respondents had either lost their job or at least some income, while upwards of 38 per cent said the pandemic had negatively affected their ability to buy a home.

As for the ban on short term rentals in the city of Toronto by property owners not residing in a in a dwelling being rented out, Simon Bray, president of REW, said "what that did was push the supply from the short-term rental market platforms like Airbnb into the long-term rental market.

"We already have an established platform on the sales search side, which is applicable and transferable to rentals. That was our first driver. In recent years we have seen generational and economic factors drive a trend towards rentals.

"We saw this interesting spin where we have this potential increase in demand for rentals and an increase in supply of listings. Everything made sense for a marketplace platform like REW to participate in connecting that demand and supply."

Two years ago, Toronto city council approved the regulation of short-term rental units (STRs) such as Airbnb and others. The new legislation restricts them to principal residences, meaning that investment properties cannot be used as STRs.

STR operators must register with the city for an annual fee of $50. Also, they must pay a four per cent municipal accommodation tax on all transactions. STR companies such as Airbnb must pay a one-time application fee of $5,000 and subsequently pay $1 per night for bookings through their platform.

As for the rental listing, REW is rolling it out in three provinces – B.C., Alberta and Ontario – with a preliminary list of 13,500 studio, and one, two and three-bedroom units. There are an estimated 10,000 in and around the GTA with the bulk of the remainder being in Vancouver.

"In both cities, the high cost of housing is a major, major concern," said Bray. "I would like to see that change – you don't want to price people out of the market that they live in – but you continue to see increases."

In Toronto and the GTA, the price of an average home increased by almost 10% in the last 12 months, but on the rental side the rate remained stable with basically no increase, he added.

Bray predicted renters may also see a decrease because of the impact of the short-term rental supply coming into the long-term market. "That affordability question is a big concern for Canadians generally. You have prices on the buy side that keep rising and even with the pandemic, has not slowed them down. You have seen a little bit of factoring in the last two to three months, but it is not like we have seen a big decline and rental has been relatively stable.

“That is going to push more and more people towards rental categories over the next few years.”

REW said in a release it is working “exclusively with trusted property management companies to ensure rental listings have been vetted and meet (our) quality management standards.”