

**ISSUE RECAP:** The Province of Ontario mandates that property assessments be conducted each year for all residential and commercial properties in Ontario. Some questions and answers are shown to help field calls:

**Q: Why have I received a Notice of Property Assessment?**

**A:** Ontario provincial law dictates that property values be reassessed each year, and that property owners receive written notices of their assessments.

**Q: What is a Property Assessment?**

**A:** A property assessment is an estimate of the market value of your property

**Q: What is it used for?**

**A:** The value of properties determines how the tax burden is shared between property owners. The City of Ottawa will use your property assessment value to help calculate your property taxes.

**Q: Why is the City doing this?**

**A:** It's not. The City has no role in property assessments. They are undertaken on behalf of the Province of Ontario by the Municipal Property Assessment Corporation, or MPAC.

**Q: Why has my property been reassessed?**

**A:** The provincial *Assessment Act* now requires that the Municipal Property Assessment Corporation, or MPAC, reassess all Ontario properties each year.

**Q: How does MPAC determine the value of my property?**

**A:** MPAC analyzes real estate market information for similar types of property. For residential properties, they use a sales comparison approach. For commercial buildings, they use an income approach and for industrial properties, they use a cost approach. Some commercial and /or industrial use a combination of income and cost. All of MPAC's assessments consider location, quality and features.

**Q: Why has my property increased in value?**

**A:** To find out why your property has increased in value, contact the Municipal Property Assessment Corporation toll free at 1 866 296-MPAC (6722).

**Q: How much have Ottawa properties increased in value?**

**A:** Residential properties have increased by an average of about 12%, while commercial properties increased by an average of about 7.5%%.

**Q: I purchased my property in 2005. Shouldn't my assessed value be the same as the purchase price?**

**A:** The price you paid for your property was affected by several factors, including your desire to purchase the property and the seller's willingness to reduce the price to encourage the sale. MPAC uses a middle range of similar prices for similar properties to establish the value of your property assessment, which reflects the value of your property on January 1, 2005, and not on the date of your purchase.

**Q: How can I find out more information about the assessed value of properties similar to mine?**

**A:** MPAC offers information about other properties like yours on their Web site at mpac.ca, under a section called "About My Property". This service allows ratepayers to review basic assessment information about their property. You are entitled to one Property Profile Report for your property, up to 6 Assessment Roll Look-ups on properties of your choice, and up to 6 Detailed Property Reports on properties of your choice. If you are a first-time user of this service you must call MPAC at 1-866-296-6722 to register.

**Q: How are my property taxes calculated?**

**A:** Residential property taxes are calculated using this formula:

- Assessed value x municipal property tax rate = amount of municipal property tax
- Assessed value x education tax rate = amount of education property tax
- Municipal property tax + education property tax = your property taxes \*

\*Please note that, if applicable, other charges such as local improvements, municipal drains or business area improvement charges might be added to the tax bill.

Commercial property taxes are calculated using a similar formula, but are subject to other factors that are applied uniquely to each individual property.

**Q: How will my new property assessment affect my taxes?**

**A:** If your property assessment shows that your property value has increased more than the average Ottawa property, you will likely pay more taxes this year than last year. This won't be decided until the City of Ottawa budget for 2006 has been finalized in mid December and the Province has set education rates (spring 2006).

To help you see how your provincial property assessment might affect your municipal property taxes, the City of Ottawa has a "Residential Assessment Impact Estimator" tool that can show roughly what your new taxes might be. It can be found on the City's Web site Ottawa.ca under "Residents" and "Property Taxes".

**Q: What other factors influence my tax bill?**

**A:** Other factors that influence your tax bill include how the value of your property has changed in relation to the average in that class of properties, provincial legislation such as capping for commercial properties, and the City's annual budget.

**Q: How much extra money will the City get because of assessment increases?**

**A:** The City of Ottawa does not get any extra money as a result of new property assessments. The City budget is determined each year by City Council after consultation with Ottawa residents and businesses. Once the City's budget is finalized, and the tax requirement is known, the City divides up the tax income it needs by the total assessed value of all properties. The value of the property then decides what share of the City's required taxes will be collected from that property, and the City only collects the taxes to support the budget approved by Council. If the budget were to stay the same while property values go up, the tax rate would go down so that the same amount of money is collected by the City. The budget for 2006 will be decided by Council in December 2005.

**Q: What if I don't agree with my new assessment?**

**A:** If you don't agree with your new property assessment, there are three things you can do.

You can contact the Municipal Property Assessment Corporation toll free at 1 866 296-MPAC (6722) to discuss your assessment with them.

You can submit a Request for Reconsideration to MPAC – the form is available on their website at [www.mpac.ca](http://www.mpac.ca) or by calling their toll free number at 1 866 296-MPAC (6722). There is no fee for this.

Or, you can file a more formal Notice of Complaint with the Assessment Review Board (ARB), which requires specific forms and filing fees. You can get more information about the ARB process by calling their toll free line at 1-800-297-1822, or go to their website at [www.arb.gov.on.ca](http://www.arb.gov.on.ca).

**Q: Are there deadlines for my appeal?**

**A:** For 2005 assessments affecting the 2006 tax year, Requests for Reconsiderations can be filed with MPAC anytime before December 31, 2006 and Notices of Complaint must be filed with ARB by March 31, 2006.

**Q: Where can I find out more?**

**A:** You can find out more about property assessments on the MPAC Web site at [mpac.ca](http://mpac.ca). Learn about how your municipal taxes are calculated on the City's Web site at [ottawa.ca](http://ottawa.ca), under "Residents" and "Property Taxes", and about the 2006 Budget process under "City Hall" and "City Budget".

If you would like detailed explanations of your specific residential or commercial property tax calculation, contact the City's Revenue Branch at 580-2444.