

Pilon, Janet

Subject: MPAC: 2021 Values and COVID-19

From: Carmelo Lipsi <carmelo.lipsi@mpac.ca>

Sent: November 18, 2020 11:06 AM

To: Holland, Andrea <Andrea.Holland@hamilton.ca>

Subject: MPAC: 2021 Values and COVID-19

To: Chief Administrative Officers, Clerks, Treasurers and Tax Administrators

Good morning Andrea,

As you know, the Ontario government postponed our 2020 Assessment Update due to COVID-19 and 2021 property values will continue to be based on the current legislated valuation date, January 1, 2016.

This means all property assessments in Ontario must reflect the price a property would have reasonably been expected to sell for on that day.

The Assessment Act requires that MPAC use the January 1, 2016 date to assess all properties. We are unable to adjust 2020 property assessments for 2021 tax year based on the current impacts of COVID-19, significant as they may be.

We are advising property owners that Requests for Reconsideration filed in 2021 that exclusively cite COVID-19 as the reason for review will not result in a change to the property's value. MPAC understands its municipal partners are looking for certainty as they plan their 2021 budgets. That said, we cannot account for how appeals citing COVID-19 may be handled by the Assessment Review Board, so there always remains some risk that our municipal partners should account for in their planning.

It is our commitment during this challenging time to continue to support your municipalities through the processing of new assessment, sharing of best practices and keeping you up to date with news to help you manage your assessment base.

This includes sharing relevant highlights of the Ontario budget released on November 5, 2020, including:

Postponing the Property Tax Reassessment

The budget mentioned the government's decision to postpone the Assessment Update but did not provide a future date for the next reassessment.

Enabling Property Tax Relief for Small Businesses

In response to concerns about the property tax burden on small businesses, the Province plans to provide municipalities with the flexibility to target property tax relief to small businesses.

To ensure appropriate flexibility, the government is proposing an amendment to the Assessment Act that would allow municipalities to define small business eligibility in a way that best meets local needs and priorities.

Reducing Property Taxes for Employers

The Province announced immediate action to reduce high Business Education Tax (BET) rates by \$450 million in 2021. As a result, the BET will be lowered to a rate of 0.88 per cent for both commercial and industrial properties beginning in 2021.

Property Tax Exemptions

The budget proposes amendments to the Assessment Act to apply the existing property tax exemption for Ontario branches of the Royal Canadian Legion, for 2019 and subsequent tax years, to Ontario units of the Army, Navy and Air Force Veterans in Canada.

As we learn more about these announcements, we will aim to update all of you and identify ways to work together.

We know these are challenging times and we are here to answer questions from property owners and support you in every way we can.

Please feel free to share this with your staff as appropriate.

Stay well and safe,

Carmelo Lipsi
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Chief Operating Officer

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Copy MPAC Regional and Account Managers