



Property Assessment Frequently Asked Questions

October 2008

The Province of Ontario mandates that property assessments be conducted every four years for all types of properties (e.g. residential, commercial, industrial) 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 every four years, 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 on a specific valuation date (January 1, 2008 for the new Property Assessment Notice).

Q: What is it used for?

A: The value of properties determines how the tax burden is shared between property owners. The County of Prince Edward will use your property assessment value to help calculate your property taxes. The education tax rates, as set by the Province, will also be applied to the assessment value to establish the education portion of your property tax bill.

Q: Why is the County doing this?

A: It's not. The County has no role in property assessments. The Municipal Property Assessment Corporation, or MPAC undertakes them on behalf of the Province of Ontario. MPAC's role is to accurately value and classify all properties in Ontario.

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 every four years.

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. Generally, for office buildings, they use an income approach and for industrial properties, they use a cost approach. All of MPAC's assessments consider features such as location, quality of construction, lot dimensions and other features applicable to the type of property.

Q: Why has my property increased in value?

A: The last assessment was done as of January 1, 2005. This new assessment was done as of January 1, 2008. It is natural to expect your property to increase in value in the last three years. 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 County of Prince Edward properties increased in value?

A: The average increase for the County of Prince Edward will be shown on your Property Assessment Notice. It is different for every property class.

Q: I purchased my property in 2008. 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, 2008, 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 www.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 24 additional properties of your choice, and up to 6 properties selected by MPAC. This service is free of charge. To use "About My Property" you will need your User ID and Password provided on your 2008 Property Assessment Notice.

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 County of Prince Edward property, you will likely pay more taxes this year than last year. This won't be decided until the County of Prince Edward budget for 2009 has been finalized in 2009.

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

Q: If my new property assessment is much higher than the average County of Prince Edward property, will I not see that same increase in my taxes?

A: The market increase in assessed value between 2005 and 2008 will be phased-in over four years, to provide an additional level of property tax stability.

Q: If my property assessment has decreased, will my assessment decrease be phased-in over the next four years?

A: The phase-in program does not apply to decreases. The entire decrease will take effect for 2009 taxation.

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 County's annual budget.

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

A: The County of Prince Edward does not get any extra money as a result of new property assessments. The County budget is determined each year by County Council after consultation with its residents and businesses. Once the County's budget is finalized, and the tax requirement is known, the County divides up the tax income it needs among property owners. The value of the property decides what share of the County's required taxes will be collected from that property, and the County 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 County collects the same amount of money. Council will decide the budget for 2009 in early spring of 2009.

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 or by calling their toll free number at 1 866 296-MPAC (6722). There is no fee for this.

If you are not successful in your filing of the Request for Reconsideration to MPAC or are not happy with the results, you can file a more formal Notice of Complaint with the Assessment Review Board (ARB), which requires specific forms and filing fees. New for 2009, you must first file a Request for Reconsideration to MPAC, if your property is classified as residential, farm or managed forest. For any other property types, the filing of the Request for Reconsideration is optional and an appeal can be filed directly to the ARB by March 31 of the tax year. You can get more information about the ARB process by calling their toll free line at 1-800-263-3237, or go to their website at www.arb.gov.on.ca.

Q: Are there deadlines for filing of the Request for Reconsideration to MPAC?

A: For these assessments affecting the 2009 tax year, Requests for Reconsiderations can be filed with MPAC anytime before March 31, 2009 and notices of Complaint must be filed with ARB within 90 days of receiving your Request for Reconsideration decision from MPAC.

Q: Where can I find out more?

A: You can find out more about property assessments on the MPAC Web site at mpac.ca. Learn about how your municipal taxes are calculated on the County's Web site at www.pecounty.on.ca, under "Residents" and "Property Taxes", and about the 2009 Budget process under "Residents" and "Budget".

If you would like detailed explanations of your specific residential or commercial property tax calculation, contact the Tax Department at 613-476-2148 or e-mail us at tax@pecounty.on.ca.