Introduction to MPAC & Farm Assessment
Delivering the 2016 Assessment Update

Municipality of Port Hope – Canton Municipal office

Terri-lyn Wright, Property Valuation Specialist
Catherine Barr, Account Manager Municipal & Stakeholder Relations

September 27, 2016
INTRODUCTION TO MPAC
Accurately assess and classify more than 5 million properties

Respond to enquiries from property taxpayers and municipalities/taxing authorities

Deliver Assessment Rolls each year

Provide Supplementary/Omitted Listings (growth)

Other legislated products:
- Preliminary List of Electors
- Jury Duty Lists
- Population Reports
PROPERTIES WE ASSESS

$2.3 TRILLION IN VALUE

- Residential: 4,589,206
- Farm: 223,082
- Commercial: 156,161
- Industrial: 79,131
- Special/Exempt: 44,913
- Multi-Residential: 16,260

*2015 Annual Report
ONTARIO’S ASSESSMENT CYCLE

2008
2009-2012 Tax Years
January 1, 2008 (valuation date)

2012
2013-2016 Tax Years
January 1, 2012 (valuation date)

2016
2017-2020 Tax Years
January 1, 2016 (valuation date)
The Municipal Property Assessment Corporation determines Current Value Assessments and classifications for all properties in Ontario.

The Provincial Government passes legislation, sets assessment policies and determines education tax rates. The Province also operates an independent assessment appeal tribunal – the Assessment Review Board (ARB).

Municipalities determine revenue requirements, set municipal tax rates and collect property taxes to pay for your municipal services.
THE 2016 ASSESSMENT UPDATE
2012 ASSESSMENT UPDATE

Early and frequent engagement with constituents

2016 ASSESSMENT UPDATE

Early and frequent engagement with constituents
DATA COLLECTION & PREPARATION

Building permits

Site variable update project

Farm forestry exemptions reviews

Requests for Reconsideration

Severances and Consolidations

Data integrity checks

MPAC initiated reviews

Process controls

Tax and Vacancy Applications

Municipal Requests

Appeals

Property Owner Enquiries

Data Touch Points

2.8 million touch points
2016 PROPERTY ASSESSMENT NOTICE OVERVIEW

- Residential Notices
- Amended Notices
- Farm and Business Notices
- Assessment Roll
2016 PROPERTY ASSESSMENT NOTICE OVERVIEW

Assessment Overview
✓ Assessed Value as of January 1, 2016
✓ Assessed Value as of January 1, 2012
✓ Change between 2012 and 2016

How will my municipality use MPAC’s property assessment?
✓ Explanation of phase-in provision (Assessment Act)
✓ Phase in Assessed Values (2017-2020 tax years)
✓ Request for Reconsideration Deadline (by tax year)
✓ Property Classification

Source: mpac.ca
Your property is assessed as a farm, however, the farm portion is currently in the residential property class.

You may be eligible for the Farm Property Class Tax Rate Program, administered through the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA). For more information, please contact OMAFRA at 1 877 424-1300.
Your municipality is responsible for setting property tax rates. Properties eligible for the Farm Property Class Tax Rate Program are typically taxed at 25% of the residential rate for municipal and education taxes. For information regarding your eligibility for the Farm Property Class Tax Rate Program, visit ontario.ca/farmtax.
Occupants directing school taxes

The following information outlines the units on your property directing school taxes. This is not necessarily associated with the classification of your property.

Please see the "How will my municipality use MPAC’s property assessment?" section of this Notice for information regarding the property classification for taxation purposes.
Farm property owners have **120 days** from the **Issue Date** of their Property Assessment Notice to file a Request for Reconsideration (RfR)

- **The RfR deadline is February 8, 2017**
- **The Issue Date and RfR deadline** are included on the Notice
HOW CAN I LEARN MORE ABOUT MY ASSESSMENT?
Through AboutMyProperty™ property owners can:

- Access information on how their property was assessed
- Compare their assessment to others in their community
- Learn more about property values through Market Trends (available before login)

Login information is included on every Notice mailed.
Learn how and why your property was assessed the way it was and compare your assessment with others in your neighbourhood.

FOUR KEYS TO ABOUTMYPROPERTY.CA

Market Trends: Learn more about property values and market trends in your area.

How Assessment Works: Learn more about how your property was assessed and more about the relationship between property assessment and property taxation.

My Property: Check out the information MPAC has on file for your property and view, print or save your Property Assessment Notice.

My Neighbourhood: Use the interactive map to compare your property to similar properties in your neighbourhood, and view up to 100 properties and download a report with details on up to 24 properties.
RESOLVING ASSESSMENT CONCERNS

STEP 1: Ask yourself: “could I have sold my property for the assessed value on January 1, 2016?”

STEP 2: Visit aboutmyproperty.ca to review the information MPAC has on file for your property.

STEP 3: Contact MPAC

STEP 4: File a Request for Reconsideration

STEP 5: File an appeal with the Assessment Review Board

OR

mpac.ca/ContactUs
Fax: 1-866-297-6703
Mail: MPAC, PO Box 9808 Toronto ON M1S 5T9
HOW WE ASSESS FARM PROPERTIES
The *Assessment Act* is the main legislative framework used in determining how a property is valued.

- **Section 19.(5): Farmland & Farm Outbuildings**
  
  “consideration shall be given to the current value of the lands and buildings for farming purposes only, and in determining the current value, consideration shall not be given to sales of lands and buildings to persons whose principle occupation is other than farming”

- **Section 19.(1): Assessment based on Current Value**

- 223,082 farmland properties in the province
- $89.32 billion total CVA
MPAC will be implementing the following changes for the 2016 Assessment Update:

- Improving the sales verification process to ensure that only sales to farmers are included in the valuation process
- Increasing the sales period from 3-5 years to 6-8 years
- Simplifying the geographic areas that are used to adjust for local conditions
MPAC updates and collects data from various sources:

- Building Permits
- Sales Transactions
- Request for Reconsideration Applications
- Appeals
- Tax Applications
- Land Severances
- On-site Property Inspections

2016 VALUES
January 1, 2016 Valuation Date
MPAC reviews all sales of farmland to determine:

- Purchaser is a Farmer
- Conditions of Sale
- Chattels
  - Equipment
  - Quota
  - Crops/Livestock
- Use of Property

MPAC reviewed 6-8 years of farmland sales to determine the 2016 Values.

**DATA COLLECTION & PREPARATION**

**MARKET ANALYSIS**

**PROPERTY VALUE REVIEW**

= 2016 VALUES

January 1, 2016 Valuation Date
# FARM SALES QUESTIONNAIRES

## Farm Sales Questionnaire

**HELP US GET IT RIGHT!**

For assistance or information call 1-866-290-MPAC (672-22) or visit our website at www.mpac.ca

The Municipal Property Assessment Corporation (MPAC) is responsible for assessing all property in Ontario for purposes of municipal taxation. Since property sales play a significant role in determining assessed value, it is particularly important to obtain accurate and up-to-date information about a property at the time of purchase. MPAC requires your assistance in this regard by confirming/correcting/completing the following information. Please sign and return this form in the enclosed postage-paid envelope.

Without accurate and up-to-date information, a property inspection may be necessary.

### Closing Date
(registered sale date)

### Sale Price

### Property purchased through:
- [ ] Real Estate Agent
- [ ] Owner (private sale)
- [ ] Auction
- [ ] Power-of-Sale or Foreclosure

### Did vendor take-back mortgage? [ ] yes [ ] no

### Property purchased from:
- [ ] friend
- [ ] relative
- [ ] landlord

## Site Services
- [ ] Hydro [ ] yes [ ] no
- [ ] Water Source
  - [ ] municipal
  - [ ] private well
  - [ ] shared well
  - [ ] lake or river
  - [ ] none
  - [ ] potential

### Sanitary System
- [ ] municipal
- [ ] septic tank (and tile bed)
- [ ] holding tank (no tile bed)
- [ ] none

### Use of Property
- [ ] Will this property be used for farming purposes? [ ] yes [ ] no
- [ ] If not used for farming, describe intended use:

### Land Characteristics
- [ ] Acres that are:
  - [ ] bush
  - [ ] orchard
  - [ ] workable
  - [ ] not used for farming

- [ ] Land tilled for drainage at time of sale:
  - [ ] systematic
  - [ ] random

- [ ] Are drainage tiles still functional? [ ] yes [ ] no

- [ ] Land tilled for drainage since purchase:
  - [ ] systematic
  - [ ] random

### Farm Operation
that generates primary source of farm income (i.e., beef, poultry, swine, cash crops, floral or fruit/vegetable greenhouses, etc.)

### Were any of the following chattels included in sale price of property? | Item | Type | Estimated Value
--- | --- | --- | ---
Crops |  |  |  
Livestock |  |  |  
Quota |  |  |  
Machinery |  |  |  
Other |  |  |  

### Location & Property Description
- [ ] Location
- [ ] Property Description
- [ ] Frontage
- [ ] Depth
- [ ] Area

### Roll Number

### Municipality
- [ ] FG
- [ ] FO

### Instrument 

### Residences on property
- [ ] Residence #1 occupied by:
  - [ ] owner
  - [ ] non-farm worker (tenant)
  - [ ] farm worker (tenant) [ ] vacant

- [ ] Residence #2 occupied by:
  - [ ] owner
  - [ ] non-farm worker (tenant)
  - [ ] farm worker (tenant) [ ] vacant

- [ ] Residence #3 occupied by:
  - [ ] owner
  - [ ] non-farm worker (tenant)
  - [ ] farm worker (tenant) [ ] vacant

### Renovations (interior and exterior)
- [ ] kitchen modernization
- [ ] bathroom modernization
- [ ] new windows
- [ ] new heating system
- [ ] plumbing upgrade
- [ ] structural changes
- [ ] finished basement
- [ ] exterior cladding
- [ ] roof surface
- [ ] foundation
- [ ] addition
- [ ] other

### Comments
(include additional information / explanations, including information about farm building(s) / structure(s) demolished since purchase)

- [ ] Name:
  - [ ] last
  - [ ] first
  - [ ] signature
  - [ ] Date:

**Telephone:** home | [ ] fax | [ ] e-mail

---

**Note:** This information is collected under the authority of sections 11 and 15 of the Assessment Act and is protected by the Municipal Freedom of Information and Protection of Privacy Act. MPAC is prevented from releasing personal information except as authorized under provincial legislation. MPAC may contact the property owner to conduct surveys or obtain feedback regarding the collection of this and other information.

FSS-MPAC-2014
2016 ASSESSMENT UPDATE – FARM

- Geographic areas finalized
- Class 1-6 land rates determined
- Farm building costs determined
- Preliminary values produced
- Fine-tuning & final property value review

DATA COLLECTION & PREPARATION

+ MARKET ANALYSIS

+ PROPERTY VALUE REVIEW

= 2016 VALUES

January 1, 2016 Valuation Date
ESTABLISHING FARM VALUES

The primary components of a farm property assessment...

- Farmland
- Residence
- Residence land
- Farm outbuildings
- Other buildings
FARMLAND

- Determined by extensive analysis, using only sales when a farmer purchases farmland
- Assessment of a farm is not based on land’s potential use (e.g., development)
- Farmland Classes (1-6) are based on the land’s productive capability and other factors such as climate and location
- Qualifies for inclusion in Farm Property Tax Class if farmer meets criteria

FARM OUTBUILDINGS

- Farm building values are determined using MPAC’s Agricultural Cost Guide
- Replacement Cost New Less Depreciation
- Qualifies for inclusion in Farm Property Tax Class if farmer meets criteria
ESTABLISHING FARM VALUES

RESIDENCE
- Replacement Cost New Less Depreciation
- Does not qualify for inclusion in Farm Tax Class

RESIDENCE LAND
- Assessed as farmland if the house (+ one-acre parcel) is occupied by the farmer
- Assessed as residential if the house is occupied by a non-farmer
- Does not qualify for inclusion in Farm Tax Class
ESTABLISHING FARM VALUES

OTHER BUILDINGS

- Replacement Cost New Less Depreciation
- Value-added farm activities classified according to use (i.e., commercial or industrial)
  - Land continues to be assessed as farmland
- Dual Use activities classified according to use (i.e., commercial or industrial)
  - Land assessed as commercial or industrial land
- Does not qualify for inclusion in Farm Tax Class
Property Classification is outlined in *Ontario Regulation 282/98*

### RESIDENTIAL PROPERTY CLASS
- Residence
- Residence land
- Other Buildings not used for farm or commercial/industrial purposes

### RESIDENTIAL TAX RATE

- If not in Farm Property Tax Class Rate Program

### FARM PROPERTY CLASS
- Farmland & farm outbuildings

### FARM TAX RATE
Farm Property Class Tax Rate Program – Administered by OMAFRA
- Eligibility requirements
- Typically taxed at 25% of residential tax rate

### RESIDENTIAL TAX RATE
- If not in Farm Property Tax Class Rate Program
FARM PRELIMINARY MARKET TRENDS
THIRD PARTY ANALYSIS OF FARMLAND VALUES IN ONTARIO

- Demand outweighs supply
- Low interest rates
- Buyers moving North to find lower priced land
ANNUAL CHANGES IN FARM VALUES

Source: Farm Credit Canada 2015 Farmland Report
ZONE 3
Central-South-East Ontario
Hastings, Prince Edward, Northumberland Farmland Class Breakdown

Information as on Jan 2016

<table>
<thead>
<tr>
<th>Class</th>
<th>Acreage by Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLASS 1</td>
<td>19,189</td>
</tr>
<tr>
<td>CLASS 4</td>
<td>92,336</td>
</tr>
<tr>
<td>CLASS 2</td>
<td>169,642</td>
</tr>
<tr>
<td>CLASS 5</td>
<td>154,272</td>
</tr>
<tr>
<td>CLASS 3</td>
<td>215,676</td>
</tr>
<tr>
<td>CLASS 6</td>
<td>184,290</td>
</tr>
</tbody>
</table>
Zone 3 – VALID FARMLAND SALES
QUESTIONS?
We are here to help. Contact MPAC with any questions you may have regarding your property assessment.

**CALL** our Customer Contact Centre 1 866 296-MPAC (6722) or 1 877-889-MPAC (6722) TTY

**ONLINE** at mpac.ca

**VISIT** a local field office

**WRITE** to P.O. Box 9808, Toronto ON M1S 5T9

**FAX** 1 866 297 6703

If you have accessibility needs, please let us know how we can best accommodate you