



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of Administration, Finance and Human Resources Committee
From: Ken DeHart, County Treasurer
Date: Tuesday, September 20, 2022
Subject: **2022 Supplementary Taxes and Weighted Assessment Report**

Background:

This report provides an update on the status of supplementary and omitted assessments processed by the Municipal Property Assessment Corporation (MPAC) since the last roll return. Supplementary extracts have been scheduled for the 1st day of each month, May through November. The May through September extracts are expected to produce revenue totals as shown on the attached *Schedule A, Table 1*. Supplementary assessments relate to 2022 while omitted assessments can go back two years covering 2020 and 2021.

Supplementary and omitted assessment values of \$480 million are expected to generate revenue for County purposes of \$2.21 million resulting from the first five supplementary runs. We have now surpassed our annual budget of \$2.0 million with two additional extracts remaining in 2022. This figure does not take into account the effect of write-offs and other adjustments made during the year.

Notable supplementary and omitted assessment includes:

Puslinch	\$39.3M in supplementary residential assessment for 2022
Guelph/Eramosa	\$2M commercial addition for construction/coatings facility \$43.8M in supplementary residential assessment for 2022
Erin	\$1.8M new industrial building \$11.8M in supplementary residential assessment for 2022
Centre Wellington	\$106.3M in supplementary residential assessment for 2022
Mapleton	\$2M new industrial machining facility \$20.5M in supplementary residential assessment for 2022 including a \$2M large industrial building for charitable use, not a business
Minto	\$2.3M new construction for food warehousing \$2M new industrial addition to auto parts plant \$8.8M in supplementary residential assessment for 2022
Wellington North	\$19.5M in supplementary residential assessment for 2022

As of September 15 the in-year weighted assessment roll used for tax rate setting purposes has increased by 1.25% as shown in *Schedule A, Table 2*. Staff will continue to work with MPAC to identify and target properties to be added to the roll before year-end.

Reassessment Update:

As previously announced, the 2021 province-wide reassessment update had been put on hold by the Ministry of Finance to provide a measure of stability to property owners and municipalities during the COVID-19 pandemic. This means that the current 2016 base year valuations have been frozen and will remain at their destination CVA until at least the 2024 taxation roll. The Province has not announced when the base year reassessment is to take place. Current property values will only change as a result of new construction, additions or improvements, new business or if the use of a property warrants a change. In preparation for the update, MPAC continues to maintain their assessment database and monitor sales activity in relation to market values they have standing-by ready to implement.

Postponing the 2021 reassessment means that Wellington County and our member municipalities will not be experiencing the annual phased-in CVA growth on the upcoming assessment and taxation roll. The final November in-year weighted assessment growth is what we can expect along with a few minor year-end updates that will only appear effective January 1, 2023.

Assessment Appeals:

A primary focus of the Assessment Base Management programme is to monitor and actively participate in assessment appeals when deemed necessary. In addition to the remaining aggregate appeals, the following **high** priority appeals based on total assessment at risk are currently active:

Appellant	Municipality
Coldpoint Properties Ltd	Guelph/Eramosa
Mammoet Crane (Assets) Inc	Puslinch
Transportation Ministry	Puslinch (Hwy 401 W)
Transportation Ministry	Puslinch (Hwy 401 E)
TG Minto	Minto
Canerector Inc	Puslinch
Pier Property Inc.	Puslinch
875 Properties Ltd	Centre Wellington

With assessment values remaining static, many of the appeals filed at the beginning of the assessment cycle have now been settled or closed. Staff have observed a number of tax agents soliciting new clientele for a second wave of appeals. This results in new appeals being filed even though we have entered the sixth year of a four-year assessment cycle. Of the priority appeals tabled, four of the complaints were filed in 2021/22 (including TG Minto for a second round).

As these proceedings continue to progress the County will be submitting Responses to the Statement of Issues (RSOI), requesting property inspections when appropriate, participating in case conferences and hearings should they advance to those stages.

The County will continue to work alongside MTAG Paralegal Professional Corp. and Lerner LLP and participate in any appeals that pose a significant risk to the assessment base and/or present any potential trends for loss in the future.

Recommendation:

That the 2022 Supplementary Taxes and Weighted Assessment Report be received for information.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Ken DeHart', with a stylized flourish extending to the right.

Ken DeHart, CPA, CGA
County Treasurer