



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of Administration, Finance and Human Resources Committee
From: Ken DeHart, County Treasurer
Date: Tuesday, September 19, 2023
Subject: **2023 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 typically been scheduled for the 1st day of each month beginning in May through to November. However, MPAC has now been able to bring forward the commencement of supplementary runs by one month, allowing municipalities to process additional tax bills earlier in the year. The April through September extracts are expected to produce revenue totals as shown on the attached *Schedule A, Table 1*. Supplementary assessments relate to 2023 while omitted assessments can go back two years covering 2021 and 2022.

Supplementary and omitted assessment values of \$483 million are expected to generate revenue for County purposes of \$2.47 million resulting from the first six supplementary runs. We have nearly met our annual budget of \$2.5 million with two additional extracts remaining in 2023. This figure does not take into account the effect of write-offs and other adjustments made during the year. Further, we may expect notable increases to commercial and industrial land values in 2024 due to land sales, analysis and the new County GIS mapping initiative.

Notable supplementary and omitted assessment includes:

Puslinch	\$44.4M in supplementary residential assessment for 2023
Guelph/Eramosa	\$3M industrial vacant land lots \$11.5M in supplementary residential assessment for 2023
Erin	\$1.6M additional to existing industrial building \$18.6M in supplementary residential assessment for 2023
Centre Wellington	\$76.5M in supplementary residential assessment for 2023
Mapleton	\$2.6M new industrial farm equipment manufacturing \$14.5M in supplementary residential assessment for 2023
Minto	\$2.3M addition to automobile service/repair shop \$7M new industrial manufacturing facility \$19M in supplementary residential assessment for 2023

Wellington North	\$1.3M new commercial transportation business on existing farm \$31.5M in supplementary residential assessment for 2023
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As of September 13, the in-year weighted assessment roll used for tax rate setting purposes has increased by 1.68% 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 announced by the provincial government, the province-wide reassessment update had been delayed another year. This means that the current 2016 base year valuations have been frozen and will remain at their destination CVA until at least the 2025 taxation roll. The Province has yet to announce 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 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, 2024.

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
TG Minto	Town of Minto
Skyline Retail Real Estate Inc	Centre Wellington
Mark Wilson Holdings In	Guelph/Eramosa
2365705 Ontario Inc (Vivere)	Guelph/Eramosa
Crombie Property Holdings (TSC Plaza)	Wellington North
Waste Management of Canada Corp	Wellington North

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 seventh year of a four-year assessment cycle. All of the priority appeals tabled indicate complaints were filed in 2022 or 2023 (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 2023 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 from the end.

Ken DeHart, CPA, CGA
County Treasurer