

How Do Assessments Relate to Property Taxes

- Municipal and school budgets establish the total amount of taxes to be collected -- assessments only determine how the taxes are distributed among properties.
- In the spring of each year, municipalities, school divisions and Manitoba Education, Citizenship and Youth determine the amount of property taxes to be raised. Tax rates are set for each by dividing budget requirements by the total assessment in the taxing jurisdiction (municipality, school division or province as the case may be). The municipal rate, expressed as thousandths of the total assessment, is called the "mill rate" after the Latin word for thousand (millesimum).
- For the purpose of calculating mill rates and taxes, municipalities use "portioned" assessment. Portioning was introduced with the amendments to assessment legislation in 1990. When Manitoba began market value assessment, it became apparent that types of property had increased in value at varying rates over the years. Bringing assessments up to current market values all at once would have resulted in very large tax increases for some property owners. To phase in the changes, property classes were created with each class being assigned, initially, the same share of taxes that such property had been paying before market valuation began. Since 1990, adjustment of the portion percentages assigned to certain classes of property has achieved a more equitable sharing of taxes.

Property Class and % of assessment subject to tax

Residential (less than 5 dwelling units)	45	Institutional	65
Residential (5 or more dwelling units)	45	Pipeline	50
Residential(owner-occupied condominiums and co-operative housing)	45	Railway	25
Farm	26	Other (Commercial/Industrial)	65
		Designated Recreational Property	10

- The mill rates are applied to your "portioned" assessment. For instance, if your single-family residence is valued at \$100,000, its portioned assessment is \$45,000. The mill rates are then applied to this figure.
- An increase in assessment will not necessarily mean higher taxes. Only properties that see above average increases are likely to see an increase in taxes. In other words if your property increased in value by 10% and the average increase of all properties in the municipality was 5%, your tax bill may rise (depending on how municipal and education budgets have changed). If your property increased in value by 4% and the average increase was 5%, you would not likely have a higher tax bill (again, depending on the taxing authorities requirements).

Owner - Assessor Agreements

- Changes to *The Municipal Assessment Act* that came into effect January 1, 2009 simplify and streamline the assessment appeal process.
- All property owners have the ability to appeal their property assessment to the municipality's Board of Revision if they believe that their assessment is not correct. Property owners can appeal their assessed value, their liability to pay property taxes, and/or their property classification.
- With the changes to the *Act*, if a property owner (or agent etc. as described in s. 42(1) of *The Municipal Assessment Act*) and assessor agree that an assessment change is necessary (for example, if there was an error made, or there is new information about the property), they may enter into an Owner-Assessor Agreement to change the assessment rather than submit an appeal to the Board of Revision.
- The Agreement will describe the change to the assessment and the reasons for the change. Once the Agreement is signed, the assessor will automatically revise the municipality's assessment roll to reflect the changes.
- If the property owner has already filed an appeal with the Board of Revision, the Agreement must be signed before the Board begins hearing the appeal. Once signed, the property owner's appeal is automatically withdrawn from the Board. In the case where an appeal has not been made to the Board of Revision, an Agreement may be signed up to the municipality's appeal deadline.
- The Agreement applies to a single year's assessment. For that year, the property owner may not file an appeal with the Board of Revision about the matter dealt with in the Agreement. Property owners can, however, appeal other matters not dealt with in the Agreement. For example, there may be agreement on value but not on classification.
- Owner-Assessor Agreements are public information. Both the municipality and the assessor will have a copy of the agreement. Any person has the right to ask the municipality and/or the assessor to see a copy of it.
- If you would like more information or have questions about Owner-Assessor Agreements, please contact your local District Supervisor, Assessment Services.
- Relevant sections of *The Municipal Assessment Act* are on the reverse side of this sheet.

Section 15.1 of The Municipal Assessment Act

Revisions by agreement

15.1(1) At any time before the board of revision begins hearing an application respecting the assessment of a property under subsection 42(1), the assessor and a person described in that subsection, or the agent of such a person, may agree to change the following:

- (a) the assessed value of the property;
- (b) the liability to taxation of the property;
- (c) the classification of the property.

Form and content of agreement

15.1(2) An agreement under subsection (1) must be in writing and must contain a description of the changes and the reasons for them.

Effect of agreement

15.1(3) When an agreement has been made under subsection (1),

- (a) the assessor must revise the applicable assessment roll accordingly;
- (b) no application may be made to the board of revision in respect of the matter or matters agreed to; and
- (c) any application to the board of revision that was filed in respect of the property before the agreement was entered into is deemed to have been withdrawn.

Supplementary taxes not affected by agreement

15.1(4) Unless supplementary taxes are dealt with in an agreement under subsection (1), a person who entered into such an agreement may make application to the board of revision in respect of a supplementary tax notice that the person receives under

- (a) section 329 of *The City of Winnipeg Charter*, if the property is in the City of Winnipeg; or
- (b) section 328 of *The Municipal Act*, if the property is in another municipality.

Public registries of agreements

15.1(5) The Provincial Municipal Assessor or, where applicable, the City Assessor must maintain a public registry containing a copy of each agreement entered into under this section that affects the current general assessment. The registry may be in electronic form.

Copy to municipality

15.1(6) If an agreement under this section affects a property in a municipality other than The City of Winnipeg, the Provincial Municipal Assessor must send a copy of the agreement to the municipality.

Amendment and correction process saved

15.1(7) Nothing in this section affects an assessor's powers to amend or correct an assessment roll under section 13 or 14.

Application for revision

42(1) A person in whose name property has been assessed, a mortgagee in possession of property under subsection 114(1) of *The Real Property Act*, an occupier of premises who is required under the terms of a lease to pay the taxes on the property, the authorized agent of the person, mortgagee or occupier, or the assessor may make application for the revision of an assessment roll with respect to the following matters:

- (a) liability to taxation;
- (b) amount of an assessed value;
- (c) classification of property;
- (d) a refusal by an assessor to amend the assessment roll under subsection 13(2).