

# The Turner Report



So, did you get your new property assessment notice yet? I did. It was not pretty.

According to the Municipal Property Assessment Corporation (which is a quasi-private company the province of Ontario has downloaded property tax evaluations to), the value of my piece of heaven rose by just under \$100,000 between June 30, 2003 and January, 2005. That means my 2006 property taxes will be going up by 21.4%.

How did MPAC determine my property had risen in value? Basically, it guessed. This company takes a look at land values in general, and then applies regional rates of increase to individual properties. Since there are 4.4 million properties in Ontario, MPAC does not have the resources to actually visit each of them to make an accurate determination. Actually, it does not even try.

According to these folks, if you believe that in January of this year you could have sold your property for the amount in the box on your assessment form, then that assessment is correct. Now, this system has some serious flaws in it, which is why the government has the provincial ombudsman looking into it. The trouble is, your 2006 property taxes click in about 60 days from now, while the MPAC review will take at least six months.

Here is the nut of the problem: The real estate market has been on a tear for the last five years, and property values have shot higher. Maybe too high. A lot of people think housing is at the top of the cycle right now, with artificially inflated prices about to be punctured by rising mortgage rates, soaring heating costs and a weakening economy. So, isn't adjusting property taxes now based on top-of-the-cycle prices nothing but a municipal tax grab?

Worse, getting a piece of paper in the mail which results in a 20% tax hike means you are being taxed on an unrealized capital gain. If you are not about to sell your home, then you are not gaining any of that supposed increase in equity. So, why should you pay more tax? This is like buying shares of Nortel, seeing them double - and having to pay tax on gains you did not receive because you did not sell. And, as we all know, Nortel (or your house) can drop as smartly as it rises.

Even worse, property taxes are one of the unfair forms of tax known to man, since they bear absolutely no relation to a person's ability to pay. Pity the seniors who live in little houses in areas of rapid growth, whose modest abodes suddenly shoot higher in value because of the dirt they sit on. Now they have to come up with real cash to pay the tax on real estate they are not selling.

The great property tax grab of 2005 is a dangerous thing. In combination with higher mortgage interest, higher gasoline prices and higher home heating charges, it seriously threatens the very real estate boom it's trying to feed off. The province should be ashamed of this system of drive-by taxation, and so should the municipalities who benefit. Today it is hard enough to buy and afford a home in Halton, given what's happened with construction costs and land values. Nobody stands to gain a thing if we collapse this real estate market through public greed.

Anyway, here's what to do: Don't take this thing lying down. Fight it. First, log onto [www.mpac.ca](http://www.mpac.ca) and complete the Request for Reconsideration form, and send it in. This triggers a review of your individual property. If you are unhappy with the results of the review, then you can file a Notice of Complaint with the Assessment Review Board. You have to do this by the end of March, 2006, and it will cost you seventy-five bucks. Get all the info you need to do this at [www.arb.gov.on.ca](http://www.arb.gov.on.ca).

And you should also get political. Tell your MPP this MPAC thing sucks, and you feel being taxed on gains you have not realized - and maybe never will - is unfair and un-Canadian. And then give a shot to the municipality - your mayor and area councillor. They ultimately benefit from this grab, and should know your thoughts.

Garth Turner is an author, broadcaster, lecturer and entrepreneur living in Campbellville. There's more at [www.garth.ca](http://www.garth.ca).



## Generic Regulation Public Information Sessions

### Additional lands to be regulated by Conservation Halton

All Conservation Authorities across Ontario are updating their regulations of *Fill, Construction and Alteration to Waterways* as mandated by the Ontario Government. As a result, some additional lands on your property may be regulated to prevent loss of life and property due to flooding and erosion, to prevent pollution and to conserve and enhance natural resources.

We invite you to attend the following public open houses to review Conservation Halton's draft regulation and associated mapping. For more information visit our website ([www.conservationhalton.on.ca](http://www.conservationhalton.on.ca)) or call Hassaan Basit at 905-336-1158 ext. 270.

DATE & TIME: Wed. Nov. 2/05  
4 - 9pm  
AREA AFFECTED: Grindstone, Falcon and Indian Creek Watercourses  
LOCATION: Conservation Halton Administrative Office, 2596 Britannia Road, RR 2, Milton

DATE & TIME: Wed. Nov. 9/05  
4 - 9pm  
AREA AFFECTED: Bronte Creek and 16 Mile Creek and Urban Watercourses  
LOCATION: Milton Hugh Foster Hall, 53 Brown Street (next to Town Hall)

DATE & TIME: Thurs. Nov. 10/05  
4 - 9pm  
AREA AFFECTED: Bronte Creek and 16 Mile Creek and Urban Watercourses  
LOCATION: Conservation Halton Administrative Office, 2596 Britannia Road, RR 2, Milton

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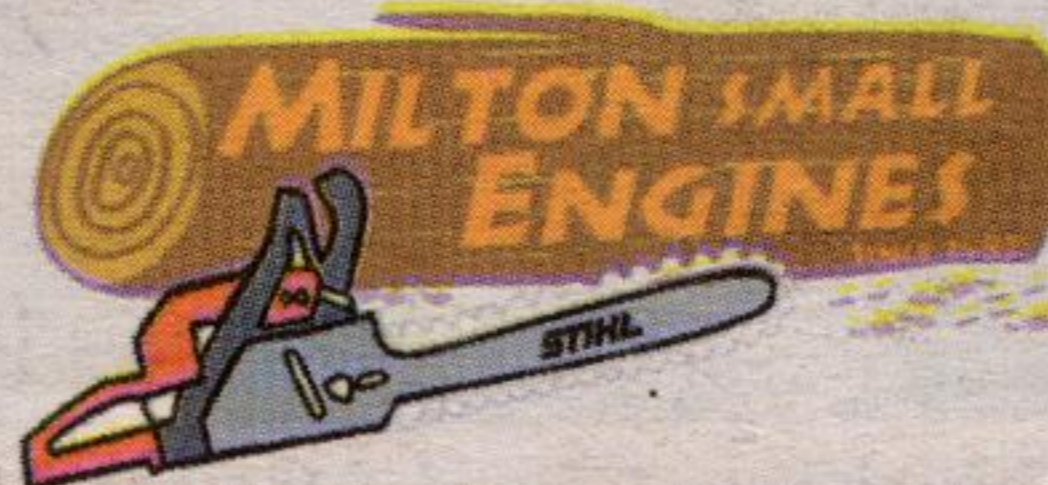


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