

Mac Sprowl traces history of assessment from 1793

BY MAC SPROWL

The first property Tax Legislation in Ontario was the Assessment Act which was enacted in 1793 whereby all inhabitants of Upper Canada with property value of 50 pounds or more were taxed.

Property Taxation was adopted in Ontario in the 1850's before income tax but after import and export taxes. Each village collected taxes from property owners in proportion to the value of their property in the village. None of the money collected went outside the village.

Their system was based on two parts (A) Assessed value and (B) application across a small community where interests and values are similar. But only one

Halton Hills Homeowners say one in four homes in Town are wrongly assessed

part of the 150-year-old system has been kept in place using assessed value. The local interest and value part has disappeared.

Another tax came into being in 1917 - Income Tax to pay off the debt of World War I which we have gone through as well as the great depression of the 1930s and World War II (1939-1945). And still we have Income Tax which is a progressive tax.

The Canadian Chamber of Commerce did an in-depth study of all 44 taxes Ontario people paid from the cradle to the grave. Forty-three were regressive and only Income Tax progressive. Property Tax was the worst because it was so complicated.

In 1967, the Ontario Committee on Taxation (the Smith Committee) first documented the inequitable problem in the property tax system and the need for tax reform.

The committee found that not only were there inconsistencies in the

assessments between municipalities but also between similar properties within a single municipality.

In 1968 the residential property tax reduction program was introduced. In 1970 the province took over the assessment functions relieving municipalities from the cost of that function. The province's objective was to achieve equity between municipalities and between property owners within each municipality.

The province began re-assessment at full market value, Section 70 of the Assessment Act, now Section 63, to complete it for taxation in 1975. In 1977 the Blair Commission Report was received by the government. In 1985 the minister of revenue established a committee to review the practice of assessment and property taxation in Ontario.

In 1991 the fair tax commission was established to help the government to

study, design and implement a more equitable tax system. The fair tax commission cost was \$9 million for the three year study, a report of 1,200 pages. After 15,595 briefs were presented to the commission there were 5,000 copies printed with 112 recommendations brought forward.

In 1992 a Halton citizens' committee was set up because if 1988 market values came in 55 per cent of taxes in Halton would go down and 45 per cent would go up. But the big shift was going to be a \$4 million decrease in Burlington while Oakville's would increase \$4 million.

A meeting of the Regional Council chaired by Peter Pomeroy took place on December 2, 2002 starting at 6 p.m. It went to 3:30 a.m. with 48 delegations opposing 1988 market value. Only two delegations spoke in favour of it.

Regional Council asked that a property tax com-

mittee be set of 12 citizens, three each from Oakville, Burlington, Milton and Halton Hills, to examine Poll Tax Unit Value assessment and Site Value assessment.

From the beginning it was noted property taxes are not related to ability to pay, or value of services received.

MVA (Market Value Assessment) is not a fair system.

The Halton Property Tax committee (of which I was a member) started meeting in February 1993 and met 27 times through to September 1993. At the conclusion we submitted a 150 page report to Regional Council to use 1992 MVA because of a real estate down-fall from 1988.

The fair tax commission at that time stated that 20 years of failed attempts to change a local tax system, badly in need of reform at least 30 years ago, had left Ontario with a patchwork of outdated and inconsistent tax and assessment systems that are incomprehensible to the taxpayer.

The most extreme example of this problem was the current crisis in Toronto where the property assessment was set in 1953 on 1940 values and has never been changed.

In November, 2002, Halton Hills residents were shocked to receive assessment notices with huge increases from 1999 to 2001, - increases ranging as high as 50 per cent. On February 12, 2003, 200 people attended a meeting at the Royal Canadian Legion in Acton about the concerns of the huge increases in assessment.

A steering committee

was formed from those who attended the meeting and expressed interest in continuing the efforts started by Mac Sprowl and Lou Bonnette. The committee chose the name we thought best reflected who we would represent, the Halton Hills Home Owners Association: chairman Mac Sprowl, vice chairman Megan Golden, treasurer Ron Trimble and secretary Corey Bovzala. John Hogg who spoke on February 12, has graciously continued to be an active member.

The committee did an impact study on 1,600 property sales in 2001 in Halton Hills to the assessed value of the property. They found that for a meaningful analysis only sales of single family residential units and sold at arms-length transactions could be used. Those left them with 613 sales-to-assessment ratio to study. Of the 613 sales only eight had a perfect assessment which equaled the 2001 sale price.

Only 73 per cent of all the assessment fell within the industry standards for acceptability where the assessment price is within 10 per cent of the sales price which means that more than one in four properties within Halton Hills are assessed incorrectly. Some may be over-assessed and some may be under-assessed.

On March 31, Sprowl and Golden made a presentation of the Association's concerns before Halton Hills Council. Since that time the Association's chairman has addressed both Halton Region's finance committee on December 10 and Regional council on December 17. Association treasurer Trimble also addressed Regional council on December 17, 2003.

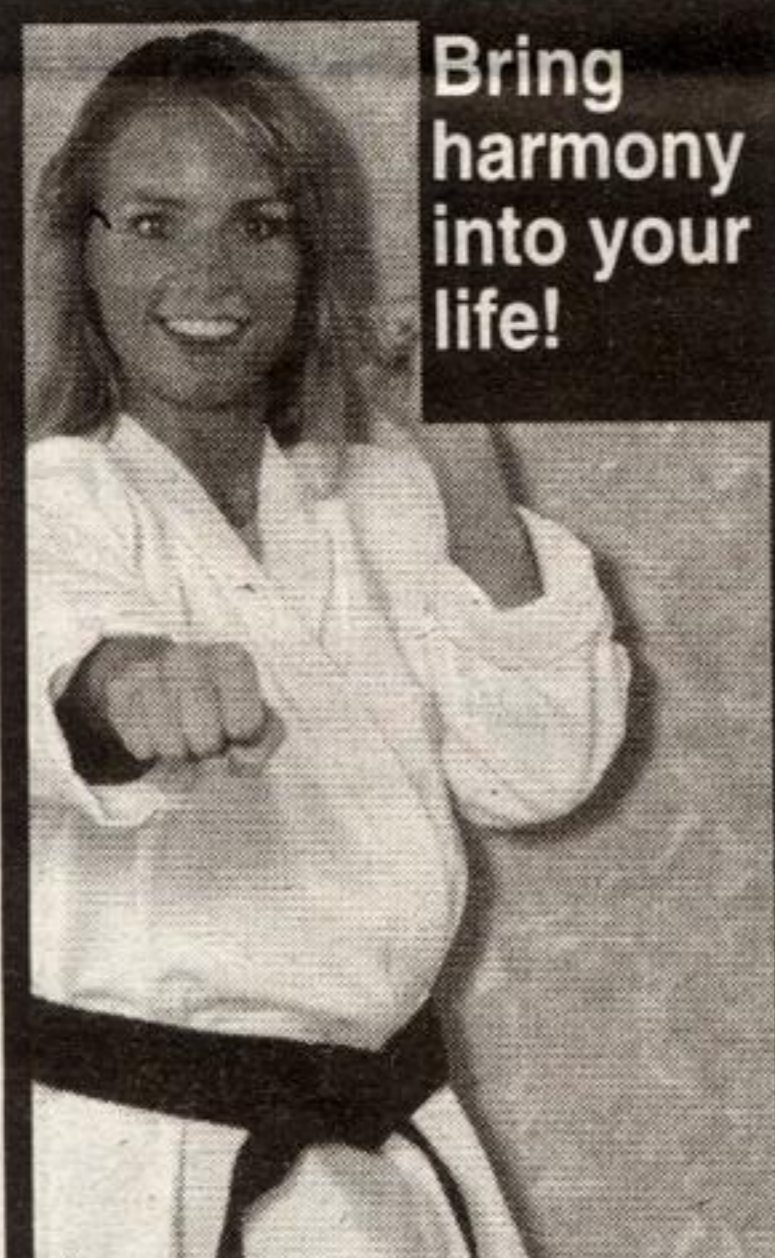
Mac Sprowl is chairman of the Homeowners' Association

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