



Ministry of Finance
7th Floor, Frost Building South
7 Queen's Park Crescent
Toronto, Ontario M7A 1Y7

Attention: Minister of Finance, Hon. Dwight Duncan

January 20, 2011

Dear Mr. Duncan,

We note with grave concern that the Municipal Property Assessment Corporation featured prominently in the recently released Ontario Auditor-General's 2010 Annual Report.

Within the 21 pages of his report dedicated to concerns with MPAC some of the most disturbing relate to their property assessment data collection, retention and quality control.

One in eight of the 11,500 sale properties reviewed from 2007 and 2008 showed variations between actual price and assessed values of over 20%.

According to the report, the variances most often occur because the Corporation does not have up-to-date property data from a property inspection, although none of the 1,400 properties that had a 20% difference between sale price and assessed value had been investigated nor adjusted by MPAC.

Our members have also suffered for years through the arcane customer interface that MPAC presents – the prospect of dealing with this bureaucracy is intimidating and overly complex to Ontario's property taxpayer.

For this, and other reasons, we have been advocating assessment smoothing (such as capping) as a means of mitigating the financial effect of this type of logistical and data challenge. You would be well advised to review the mitigation approaches used in other jurisdictions where some form of CVA is also used for guidance and examples that you might consider for Ontario.

There were almost 18,000 building permits worth about \$5.1 billion where MPAC had failed to follow up or inspect the properties to determine whether the work was completed.

The A-G also noted that at current staffing/activity levels, MPAC would be lucky to reinspect each residential property every 18 years, far below their stated goal of at least every 12 years. In fact, 1.5 million residential properties in Ontario (or about a third) had never been inspected in the last 12 years.

These challenges, and the inequities and burden they can place on residential property taxpayers in the Province have been a long-standing concern for FOCA, and WRAFT (Waterfront Ratepayers After Fair Taxation).

Our organization and the property taxpayers we represent would like your commitment that the recommendations and the shortcomings identified in this report are dealt with in a timely manner, and we respectfully request your response regarding your Ministry's timing and plans for addressing these issues within MPAC.

The taxpayers of Ontario deserve a prompt response from your government.

We look forward to your response to the Auditor General's recommendations, and specifically to hearing what the Province will be doing to ensure the changes are put in place.

Sincerely,

A handwritten signature in black ink that reads "Terry Rees". The signature is written in a cursive, flowing style.

Terry Rees
Executive Director, Federation of Ontario Cottagers' Associations, Inc.

cc Tim Hudak, Leader, Official Opposition
Andrea Horwath, Ontario NDP Leader
Office of the Auditor General of Ontario
Andre Marin, Ontario Ombudsman