

Report to WRAFT membership - September 2009

October 7, 2009

Recent background

Property owners in Ontario have now received their final tax bills for 2009, the first to reflect the four-year assessment cycle introduced by the Liberal government in 2007. Following a three year freeze, the new system called for assessment every four years starting with January 1, 2008. Increases in valuation are phased in over the subsequent four year period. If your assessment was up more than your average municipal increase, the resultant tax hike is being implemented over the years 2009 to 2012. If your increase was lower than average the tax reduction will also be over four years. (If your assessment was lower in absolute terms, the change was effective immediately.) Your final 2009 tax bill should show the tax increase or decrease due to assessment and the tax increase due to increased municipal spending.

While both opposition parties, prior to the 2007 election, proposed real reform, capping of assessment increases by the PCs and a 'freeze until sale' approach by the NDP, the Liberal government, re-elected with a majority, were not prepared to implement needed changes to the property tax/assessment system. The four year cycle, as well as modest relief for low income seniors, does nothing to deal with the volatility of each assessment which has given rise to the massive shift of tax onto waterfront properties across Ontario over the past decade. While earlier assessments brought about huge tax hikes in Muskoka, Haliburton and Lake Huron waterfront, the most recent valuation hit northern and eastern Ontario waterfront the hardest.

What action have we taken

Our most recent communication to the government called for a freeze in assessments at the level effective for 2009 (1/4 of the 2008 increase) and a reassessment when the real estate market stabilized. The 2008 assessment was at the top of the market, in particular for waterfront properties. We have not received any response to that request.

Following the recent election of Tim Hudak as leader of the official opposition and the appointment of Norm Miller as Finance Critic, we met with Mr. Miller to confirm that the PCs will continue to press for a more stable property tax regime. Mr. Hudak has been a strong supporter of a cap on assessment increases and his election as PC leader is clearly good news for waterfront property owners.

What can you do?

If you have not already done so, sign our petition on either the WRAFT or CAPTR website. We need a lot more names on the petition before we submit it to Queens Park. You can also, as we

have urged in the past, write your MPP and express your concerns about the current property tax system. Finally, if your association has not made a 2009 contribution, a donation in the amount of the membership fee would be much appreciated before the October annual meeting. Cheques should be made payable to WRAFT c/o #201 - 159 King St., Peterborough, ON K9J 2R8.

What next?

Your directors have resolved to continue our fight to achieve a more equitable property tax regime in Ontario. At our Annual General Meeting, scheduled in conjunction with the FOCA AGM on October 24, we will outline the plans we have to revitalize our lobbying efforts well in advance of the next provincial election in 2011.