
IMPACT OF REASSESSMENT 2016 CITY OF BRANDON

1. OVERVIEW OF REASSESSMENT 2016

- This report provides Council with an overview of the impact of Reassessment 2016 in your municipality.
- For 2016, the assessed values of all properties will be updated to April 1, 2014 market values (reference date), from April 1, 2012 market values. Property assessments were last updated in 2014.
- The updated assessments will be used for 2016 property taxes.
- This report will provide details on:
 - how taxable assessments have changed in your municipality and across the province
 - how Reassessment 2016 will impact municipal and school taxes.
- Impacts in this report reflect Reassessment 2016 modeling. Some assessment changes could still occur in your municipality that affect actual impacts.

2. OBJECTIVES OF REASSESSING PROPERTY

- The objectives of the province-wide reassessment are:
 - **Equity.** All properties across the Province are regularly reassessed to ensure assessments keep pace with changing market conditions.
 - **Fairness.** Property taxes are paid according to the market value of property. Keeping assessments current is one way to ensure everyone pays their fair share of taxes.
 - **Greater ratepayer understanding.** Updating assessments makes it easier for property owners to understand and evaluate their assessments.

3. CHANGES IN ASSESSMENT

- The reassessment reflects how property values have changed since the last reassessment in 2014. These can be attributed to a combination of:
 - changes to the supply and demand for real estate
 - new construction
 - improvements to existing properties.
- The Province's taxable assessment has increased by \$9.5 billion (15%) to \$73.3 billion (from \$63.8 billion).
- Your municipality's taxable assessment has increased by \$272 million (12%) to \$2,592 million (from \$2,320 million).

Changes in Your Municipality's Taxable Assessment 2015 to 2016 – By Property Class

Property Class	2015 (\$)	2016 (\$)	Change (\$)	Change (%)
Single Family Residential	1,288,968,650	1,462,297,950	173,329,300	13.5
Apartment	126,852,380	141,760,530	14,908,150	11.8
Condo / Co-op	147,704,830	169,848,240	22,143,410	15.0
Total Residential	\$1,563,525,860	\$1,773,906,720	\$210,380,860	13.5%
Farm	4,856,170	4,957,200	101,030	2.1
Commercial / Industrial	659,150,110	715,383,770	56,233,660	8.5
Institutional	87,846,420	92,475,390	4,628,970	5.3
Pipeline	719,150	776,450	57,300	8.0
Railway	3,555,890	4,133,460	577,570	16.2
Designated Recreational	69,010	72,790	3,780	5.5
Total	\$2,319,722,610	\$2,591,705,780	\$271,983,170	11.7%

- Includes all assessments subject to municipal taxation (excludes exempt assessment).

- Taxable Assessment is the portioned assessment.

4. IMPACT OF REASSESSMENT 2016 ON PROPERTY TAXES

- **Assessment increases resulting from reassessment do not necessarily mean tax increases.** Property assessment simply provides the basis for distributing taxes among property owners.
- Tax rates (mill rates) are set by:
 - Council ⇒ Municipal Levy
 - School Division ⇒ Special Levy
 - Province ⇒ Education Support Levy
- Shifting of the three tax levies occurs between and within property classes when property assessments increase or decrease relative to the average (on a municipal, school division and province-wide basis). Only properties seeing above average assessment increases will likely have an increase in taxes.
- The impact of Reassessment 2016 on property taxes (General Municipal Levy, Special Levy and Education Support Levy) in your municipality is shown on the following pages. Impacts do not take into account other taxes levied on a part of your municipality (e.g. local improvement and special services levies).

Property tax impacts have been calculated using the following methodology:

- **General Municipal Levy** - A baseline for the municipal tax was determined by applying 2014 mill rates against the 2015 assessment (to estimate the 2015 general municipal levy). For estimated 2016 general municipal taxes, the general mill rates were recalculated to raise the same amount of tax on the 2016 assessment.
- **School Division Special Levy** - The Special Levy was based on the 2015 levy amount and reflects your municipality's new share of the school division's assessment and the impact of reassessment on provincial funding to school divisions.
- **Education Support Levy** - The Education Support Levy was based on the 2015 levy amount and reflects how the assessment of properties subject to the levy in your municipality has changed relative to the assessment of all other municipalities in Manitoba. Residential and Farm properties do not pay the Education Support Levy.

- The table below illustrates how the property taxes of each class of property in your municipality are impacted by Reassessment 2016.

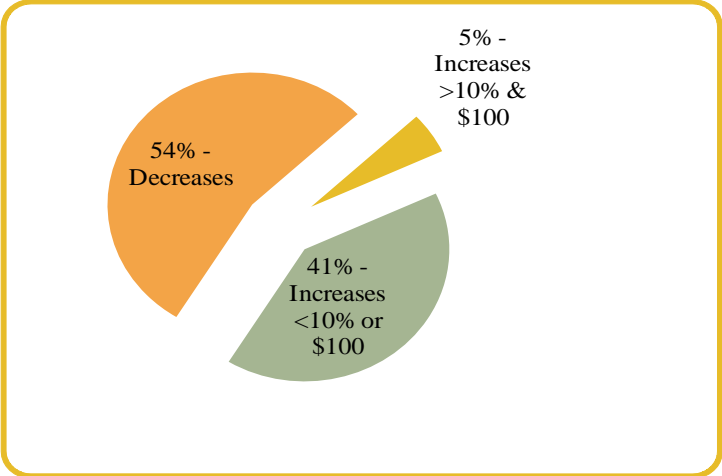
**Total Tax Change – Municipal & School
2015 to 2016 – By Property Class**

Property Class	2015 (\$)	2016 (\$)	Change (\$)	Change (%)
Single Family Residential	42,658,417	43,253,311	594,894	1.4
Apartment	4,198,180	4,193,135	(5,045)	(0.1)
Condo / Co-op	4,888,291	5,023,941	135,650	2.8
Total Residential	\$51,744,888	\$52,470,387	\$725,499	1.4%
Farm	160,715	146,629	(14,086)	(8.8)
Commercial / Industrial	29,458,579	28,227,293	(1,231,286)	(4.2)
Institutional	2,513,867	2,335,442	(178,425)	(7.1)
Pipeline	32,150	30,646	(1,504)	(4.7)
Railway	158,966	163,144	4,178	2.6
Designated Recreational	3,085	2,873	(212)	(6.9)
Total	\$84,072,251	\$83,376,413	(\$695,838)	(0.8%)

- Changes in Total Tax reflect changes in your municipality’s revised share of the divisions’/province’s new total assessment.

- The graph below illustrates how the property taxes of individual properties in your municipality may be impacted by Reassessment 2016. The Attachment provides more detailed information.

**% of Properties with Tax
Increases / Decreases**



	Number of Properties
With Tax Increases:	7,201
With Tax Decreases:	8,526
Total Properties:	15,727

- The table below illustrates how the Municipal Levy of each class of property in your municipality is impacted by Reassessment 2016.

**Tax Change – Municipal Levy
2015 to 2016 – By Property Class**

Property Class	2015 (\$)	2016 (\$)	Change (\$)	Change (%)
Single Family Residential	22,666,514	23,015,107	348,593	1.5
Apartment	2,230,699	2,231,169	470	0.0
Condo / Co-op	2,597,389	2,673,241	75,852	2.9
Total Residential	\$27,494,602	\$27,919,518	\$424,916	1.6%
Farm	85,396	78,021	(7,375)	(8.6)
Commercial / Industrial	11,582,428	11,251,236	(331,192)	(2.9)
Institutional	1,544,779	1,455,470	(89,309)	(5.8)
Pipeline	12,646	12,221	(425)	(3.4)
Railway	62,530	65,057	2,527	4.0
Designated Recreational	1,214	1,146	(68)	(5.6)
Total	\$40,783,595	\$40,783,595*	\$0*	0.0%

*May not add due to rounding.

- Properties with an assessment increase less than 11.7% should see a municipal tax decrease.
- Properties with an assessment increase greater than 11.7% should see a municipal tax increase.

5. COUNCIL'S OPTIONS TO MODERATE IMPACTS

- **Phase-in tax increases and decreases.** *The Municipal Assessment Act* provides council with the flexibility to phase-in substantial tax increases that property owners would otherwise find difficult to absorb. Council may, by by-law, phase-in:
 - increases and decreases of the municipal and education taxes.
 - tax changes for all, or some, property classes or individual properties.
- **Vary property class portion percentages.** *The Municipal Assessment Act* gives municipalities authority to vary property class portions, for municipal tax purposes. Councils may, by by-law, vary property class portions to mitigate tax shifting that occurs between property classes as a result of the reassessment. A provincial regulation is required.

6. PROVINCIAL PROPERTY TAX REDUCTION INITIATIVES

- The Manitoba Government has reduced property taxes across the province since 1999 by:
 - **Increasing the Education Property Tax Credit to a maximum \$700**, providing tax relief to homeowners. The Education Property Credit has increased six times since 1999.
 - **Implementing the new Seniors' School Tax Rebate**, to eliminate school taxes paid by seniors. In 2015 the rebate has been increased to \$470.
 - **Increasing the Farmland School Tax Rebate**, to 80% reducing school taxes paid by farmers. The rebate is capped at a maximum of \$5,000 and available to Manitoba residents.
 - **Eliminating the Education Support Levy on all residential property**, saving homeowners approximately \$145 million annually. The levy was eliminated in 2006.

7. INFORMING THE PUBLIC ABOUT REASSESSMENT 2016

- Ratepayers have been informed, or can receive additional information, about Reassessment 2016 in the following ways:
 - **A press release**, explaining the reassessment, has been provided to community newspapers.
 - **A Provincial website**, providing property assessments and answers to frequently asked questions, is available. Anyone with internet access can obtain this information at www.gov.mb.ca/assessment.
 - **A toll free customer service line** is available for ratepayers to contact their local assessment office and speak to an assessor. The toll free phone number is provided on both the assessment notice and the assessment brochure.
 - **Assessment Facts**, a series of informational sheets providing details about property assessment in Manitoba, have been made available at local assessment offices. Municipal offices have also been given a supply of *Assessment Facts*.
 - **An assessment notice** providing assessed values, pertinent property data and helpful information is being sent to ratepayers. Commonly asked questions and their answers are on the back of the notice.
 - **Open Houses** are being held locally, during May, June and July, to give ratepayers the opportunity to meet with assessors after they receive their assessment notice.
 - **Municipal Administrators** will play an important role in answering ratepayers' questions. This report should assist municipal administrators to answer inquiries.

Total Tax Increases / Decreases Resulting from Reassessment

CITY OF BRANDON

Excludes Railway & Pipeline

	Under \$100	\$100 To \$199.99	\$200 To \$499.99	\$500 To \$749.99	\$750 To \$999.99	\$1000 To \$1,999.99	\$2,000 +	# of Roll Entries	Total Value of Change	% of Total Rolls	Average Change
% Change (-)											
UNDER -100%	1	-	1	-	5	2	4	13	(40,780.44)	0.1	(3,136.96)
-90.01% TO -100%	-	-	-	-	-	-	-	-	-	-	-
-80.01% TO -90%	-	-	-	-	-	-	-	-	-	-	-
-70.01% TO -80%	-	-	-	-	-	-	-	-	-	-	-
-60.01% TO -70%	-	-	-	-	-	-	1	1	(2,299.42)	0.0	(2,299.42)
-50.01% TO -60%	-	-	2	-	2	1	-	5	(3,608.28)	0.0	(721.66)
-40.01% TO -50%	-	-	2	-	-	1	1	4	(5,352.59)	0.0	(1,338.15)
-30.01% TO -40%	-	-	-	1	2	1	1	5	(14,564.30)	0.0	(2,912.86)
-20.01% TO -30%	1	2	1	5	1	2	2	14	(39,896.15)	0.1	(2,849.73)
-10.01% TO -20%	5	65	56	37	15	16	30	224	(316,713.58)	1.4	(1,413.90)
-5.01% TO -10%	40	170	467	64	46	85	122	994	(1,372,772.11)	6.3	(1,381.06)
0% TO -5%	5,654	1,143	329	37	23	38	42	7,266	(790,694.52)	46.2	(108.82)
% Change (+)											
0.01% TO 5%	3,904	915	205	14	8	6	4	5,056	382,506.14	32.2	75.65
5.01 TO 10%	96	504	643	57	15	14	7	1,336	394,100.14	8.5	294.99
10.01% TO 20%	6	35	135	73	20	22	5	296	217,381.93	1.9	734.40
20.01% TO 30%	-	8	34	13	9	10	5	79	59,029.04	0.5	747.20
30.01% TO 40%	1	1	9	1	5	5	3	25	23,797.96	0.2	951.92
40.01% TO 50%	2	1	11	7	-	1	-	22	10,305.69	0.1	468.44
50.01% TO 60%	4	-	11	3	1	1	2	22	13,880.19	0.1	630.92
60.01% TO 70%	-	-	3	8	6	1	-	18	12,651.75	0.1	702.88
70.01% TO 80%	-	-	-	2	5	3	1	11	19,521.59	0.1	1,774.69
80.01% TO 90%	-	-	-	17	2	-	1	20	15,096.09	0.1	754.80
90.01% TO 100%	-	-	-	2	2	1	2	7	21,625.33	0.0	3,089.33
100% +	-	3	3	5	92	83	123	309	718,274.05	2.0	2,324.51
Total Decrease	5,701	1,380	858	144	94	146	203	8,526	(2,586,681.39)	54.2	(303.39)
Total Increase	4,013	1,467	1,054	202	165	147	153	7,201	1,888,169.90	45.8	262.21
Overall Totals	9,714	2,847	1,912	346	259	293	356	15,727	(698,511.49)	100.0	(44.41)