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# **IMPACT OF REASSESSMENT 2023 CITY OF BRANDON**

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## 1. OVERVIEW OF REASSESSMENT 2023

- This report provides Council with an overview of the impact of Reassessment 2023 in your municipality.
- For 2023, the assessed values of all properties will be updated to April 1, 2021 market values (reference date), from April 1, 2018 market values. Property assessments were last updated in 2020.
- The updated assessments will be used for 2023 property taxes.
- This report will provide details on:
  - how taxable assessments have changed in your municipality and across the province
  - how Reassessment 2023 will impact municipal and school taxes.
- Impacts in this report reflect Reassessment 2023 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 2020. 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 \$8.5 billion (10%) to \$96.4 billion (from \$87.9 billion).
- Your municipality's taxable assessment has increased by \$116 million (4%) to \$3,045 million (from \$2,929 million).

#### Changes in Your Municipality's Taxable Assessment 2022 to 2023 – By Property Class

Property Class	2022 (\$)	2023 (\$)	Change (\$)	Change (%)
Single Family Residential	1,565,941,750	1,607,950,050	42,008,300	2.7
Apartment	197,871,620	230,235,390	32,363,770	16.4
Condo / Co-op	214,929,120	215,250,640	321,520	0.2
<b>Total Residential</b>	<b>\$1,978,742,490</b>	<b>\$2,053,436,080</b>	<b>\$74,693,590</b>	<b>3.8%</b>
Farm	4,359,740	4,756,080	396,340	9.1
Commercial / Industrial	838,062,970	876,242,430	38,179,460	4.6
Institutional	102,690,460	104,388,500	1,698,040	1.7
Pipeline	837,200	902,200	65,000	7.8
Railway	4,566,680	5,307,220	740,540	16.2
Designated Recreational	90,190	92,710	2,520	2.8
<b>Total</b>	<b>\$2,929,349,730</b>	<b>\$3,045,125,220</b>	<b>\$115,775,490</b>	<b>4.0%</b>

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

- Taxable Assessment is the portioned assessment.

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## 4. IMPACT OF REASSESSMENT 2023 ON PROPERTY TAXES

- Assessment increases/decreases resulting from reassessment do not necessarily mean tax increases/decreases. 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 2023 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 2021 mill rates against the 2022 assessment (to estimate the 2022 general municipal levy). For estimated 2023 general municipal taxes, the general mill rates were recalculated to raise the same amount of tax on the 2023 assessment.
- **School Division Special Levy** - The Special Levy was based on the 2022 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 2022 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 2023.

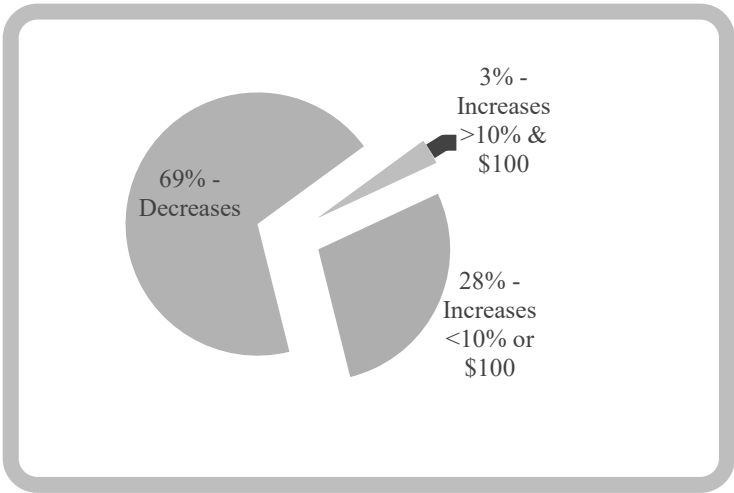
**Total Tax Change – Municipal & School  
2022 to 2023 – By Property Class**

Property Class	2022 (\$)	2023 (\$)	Change (\$)	Change (%)
Single Family Residential	46,284,540	45,863,559	(420,981)	(0.9)
Apartment	5,848,491	6,567,004	718,513	12.3
Condo / Co-op	6,352,660	6,139,594	(213,066)	(3.4)
<b>Total Residential</b>	<b>\$58,485,692</b>	<b>\$58,570,157</b>	<b>\$84,465</b>	<b>0.1%</b>
Farm	128,861	135,658	6,797	5.3
Commercial / Industrial	32,072,670	31,910,997	(161,673)	(0.5)
Institutional	2,422,896	2,369,683	(53,213)	(2.2)
Pipeline	32,040	32,856	816	2.6
Railway	174,767	193,278	18,511	10.6
Designated Recreational	3,452	3,376	(76)	(2.2)
<b>Total</b>	<b>\$93,320,376</b>	<b>\$93,216,006</b>	<b>(\$104,370)</b>	<b>(0.1%)</b>

- 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 2023.

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



	Number of Properties
With Tax Increases:	5,118
With Tax Decreases:	11,305
<b>Total Properties:</b>	<b>16,423</b>

- The table below illustrates how the Municipal Levy of each class of property in your municipality is impacted by Reassessment 2023.

**Tax Change – Municipal Levy  
2022 to 2023 – By Property Class**

Property Class	2022 (\$)	2023 (\$)	Change (\$)	Change (%)
Single Family Residential	23,310,609	23,025,845	(284,764)	(1.2)
Apartment	2,945,517	3,296,971	351,454	11.9
Condo / Co-op	3,199,435	3,082,389	(117,046)	(3.7)
<b>Total Residential</b>	<b>\$29,455,561</b>	<b>\$29,405,205</b>	<b>(\$50,356)</b>	<b>(0.2%)</b>
Farm	64,899	68,107	3,208	4.9
Commercial / Industrial	12,475,405	12,547,792	72,387	0.6
Institutional	1,528,650	1,494,843	(33,807)	(2.2)
Pipeline	12,463	12,920	457	3.7
Railway	67,980	75,999	8,019	11.8
Designated Recreational	1,343	1,328	(15)	(1.1)
<b>Total</b>	<b>\$43,606,300</b>	<b>\$43,606,300*</b>	<b>\$0*</b>	<b>0.0%</b>

\*May not add due to rounding.

- Properties with an assessment increase less than 4.0% should see a municipal tax decrease.
- Properties with an assessment increase greater than 4.0% should see a municipal tax increase.

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## 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 in both 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.
- **Establish a tax credit program.** *The Municipal Act* provides municipalities with authority to establish a financial assistance program, by by-law, to provide a tax credit for municipal taxes. Tax credit programs are flexible and Council may tailor them to fit local circumstances by setting the criteria and conditions of the credit.
- **Other Municipal Tax Tools.** *The Municipal Act* also provides municipalities with other tax tools, such as special service levies or local urban districts, to manage the distribution of municipal taxes.

## 6. PROVINCIAL PROPERTY TAX REDUCTION

- **Education Property Tax Rebate.** For 2022, owners of residential and farm properties will receive a 37.5 per cent rebate of the school division special levy payable. This will increase to 50 per cent in 2023. Residential properties include single dwelling units, condos and multiple unit dwellings. For 2022 and 2023, owners of other properties (such as commercial, industrial, railway, institutional, pipelines and designated recreational) will receive a 10 per cent rebate of the total of both the school division special levy and the education support levy payable. For more information, visit <https://www.gov.mb.ca/edupropertytax/index.html>

- **Manitoba Residential Renters Tax Credit.** Commencing in 2022, the renters Education Property Tax Credit will become the Manitoba Residential Renters Tax Credit. Unlike the Education Property Tax Credit, which will continue to be adjusted as the Education Property Tax Rebate increases, the maximum annual amount of the Renters Credit will be fixed at \$525.
- **Education Property Tax Credit.** Tax credit for homeowners to a maximum of \$438 in 2022 (\$350 in 2023), and an additional income tested \$250 in 2022 (\$200 in 2023) for seniors 65 and over.
- **Seniors' School Tax Rebate.** Tax credit for senior homeowners to an income tested maximum of \$294 in 2022 (\$235 in 2023).
- **Homeowner's School Tax Assistance.** Tax credit for lower income pensioner homeowners of a maximum \$109.38 in 2022 (\$87.50 in 2023).
- **Farmland School Tax Rebate.** Tax credit for farmland owners on 50% in 2022 (40% in 2023) of school taxes to a maximum of \$3,125 (\$2,500 in 2023).

## 7. INFORMING THE PUBLIC ABOUT REASSESSMENT 2023

- Ratepayers have been informed, or can receive additional information, about Reassessment 2023 in the following ways:
  - **A Provincial website**, providing property assessments, maps and answers to frequently asked questions, is available. Anyone with internet access can obtain this information at <https://manitoba.ca/openmb/infomb/departments/index.html> or [www.gov.mb.ca/assessment](http://www.gov.mb.ca/assessment).
  - **MyPropertyMB**: Manitobans can now access and receive their assessment notice and detailed property assessment information online by creating an account at <https://manitoba.ca/myproperty>
  - **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.



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- **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.
  - **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. Opportunities will also be provided for property owners to meet virtually with a local assessor to discuss any questions they may have regarding their assessment.
  - **Municipal Administrators** will play an important role in answering ratepayers' questions. This report should assist municipal administrators to answer inquiries.