
IMPACT OF REASSESSMENT 2020 CITY OF BRANDON

1. OVERVIEW OF REASSESSMENT 2020

- This report provides Council with an overview of the impact of Reassessment 2020 in your municipality.
- For 2020, the assessed values of all properties will be updated to April 1, 2018 market values (reference date), from April 1, 2016 market values. Property assessments were last updated in 2018.
- The updated assessments will be used for 2020 property taxes.
- This report will provide details on:
 - how taxable assessments have changed in your municipality and across the province
 - how Reassessment 2020 will impact municipal and school taxes.
- Impacts in this report reflect Reassessment 2020 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 2018. 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 \$5.6 billion (7%) to \$85.4 billion (from \$79.8 billion).
- Your municipality's taxable assessment has increased by \$83 million (3%) to \$2,849 million (from \$2,766 million).

Changes in Your Municipality's Taxable Assessment 2019 to 2020 – By Property Class

Property Class	2019 (\$)	2020 (\$)	Change (\$)	Change (%)
Single Family Residential	1,510,044,340	1,531,260,500	21,216,160	1.4
Apartment	166,377,470	180,355,850	13,978,380	8.4
Condo / Co-op	210,183,220	206,354,780	(3,828,440)	(1.8)
Total Residential	\$1,886,605,030	\$1,917,971,130	\$31,366,100	1.7%
Farm	4,522,480	4,623,490	101,010	2.2
Commercial / Industrial	771,878,610	820,004,650	48,126,040	6.2
Institutional	97,271,440	100,458,130	3,186,690	3.3
Pipeline	768,200	837,200	69,000	9.0
Railway	4,406,030	4,566,680	160,650	3.7
Designated Recreational	88,730	90,190	1,460	1.7
Total	\$2,765,540,520	\$2,848,551,470	\$83,010,950	3.0%

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

- Taxable Assessment is the portioned assessment.

4. IMPACT OF REASSESSMENT 2020 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 2020 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 2018 mill rates against the 2019 assessment (to estimate the 2019 general municipal levy). For estimated 2020 general municipal taxes, the general mill rates were recalculated to raise the same amount of tax on the 2020 assessment.
- **School Division Special Levy** - The Special Levy was based on the 2019 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 2019 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 2020.

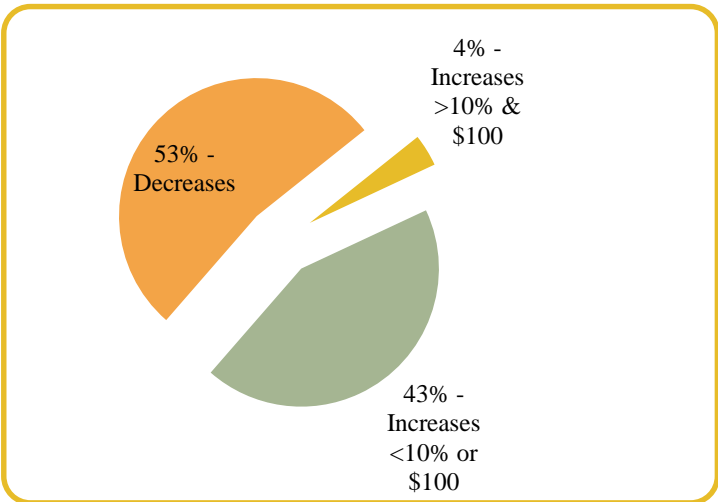
**Total Tax Change – Municipal & School
2019 to 2020 – By Property Class**

Property Class	2019 (\$)	2020 (\$)	Change (\$)	Change (%)
Single Family Residential	46,568,257	46,593,194	24,937	0.1
Apartment	5,130,915	5,487,868	356,953	7.0
Condo / Co-op	6,481,840	6,278,963	(202,877)	(3.1)
Total Residential	\$58,181,013	\$58,360,026	\$179,013	0.3%
Farm	139,469	140,684	1,215	0.9
Commercial / Industrial	31,336,820	31,949,261	612,441	2.0
Institutional	2,466,773	2,451,248	(15,525)	(0.6)
Pipeline	31,196	32,628	1,432	4.6
Railway	178,924	177,977	(947)	(0.5)
Designated Recreational	3,603	3,515	(88)	(2.4)
Total	\$92,337,797	\$93,115,339	\$777,542	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 2020.

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



	Number of Properties
With Tax Increases:	7,629
With Tax Decreases:	8,562
Total Properties:	16,191

- The table below illustrates how the Municipal Levy of each class of property in your municipality is impacted by Reassessment 2020.

**Tax Change – Municipal Levy
2019 to 2020 – By Property Class**

Property Class	2019 (\$)	2020 (\$)	Change (\$)	Change (%)
Single Family Residential	23,932,693	23,563,037	(369,656)	(1.5)
Apartment	2,636,917	2,775,316	138,399	5.3
Condo / Co-op	3,331,194	3,175,387	(155,807)	(4.7)
Total Residential	\$29,900,803	\$29,513,740	(\$387,063)	(1.3%)
Farm	71,677	71,146	(531)	(0.7)
Commercial / Industrial	12,225,105	12,609,452	384,347	3.1
Institutional	1,541,655	1,545,850	4,195	0.3
Pipeline	12,175	12,883	708	5.8
Railway	69,831	70,272	441	0.6
Designated Recreational	1,406	1,388	(18)	(1.3)
Total	\$43,822,653	\$43,822,653*	\$0*	0.0%

*May not add due to rounding.

- Properties with an assessment increase less than 3.0% should see a municipal tax decrease.
- Properties with an assessment increase greater than 3.0% 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 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

- **The Education Property Tax Credit.** Tax credit for homeowners and renters to a maximum of \$700, and an additional income tested \$400 for seniors 65 and over.
- **The Seniors' School Tax Rebate.** Tax credit for senior homeowners to an income tested maximum of \$470.
- **Homeowner's School Tax Assistance.** Tax credit for lower income pensioner homeowners of a maximum \$175.
- **Farmland School Tax Rebate.** Tax credit for farmland owners on 80% of school taxes to a maximum of \$5,000.

7. INFORMING THE PUBLIC ABOUT REASSESSMENT 2020

- Ratepayers have been informed, or can receive additional information, about Reassessment 2020 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 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.
 - **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.