

IT'S NOW OR NEVER! – STOP ASSESSMENT ANARCHY!

(We need a 5% annual cap to protect our property rights)

CAPTR* 5% Capping Rationale

- the PC Party has now adopted a **cap of 5%** in their election platform; the NDP has adopted a **freeze** position until a property is sold. CAPTR strongly supports 5% as a cap or smoothing mechanism. 5% approximates the **long term average** increase in residential property values in Ontario.
- the 4 year phase-in introduced by the Liberals to mollify our movement for tax reform is **just tinkering** and merely giving many of us a gradual notice of eviction!
- it neither deals with the **volatility** of the assessments nor with the basic **unfairness** of the assessment process.
- in the last reassessment, 61% of all residential Ont. properties increased by more than 6.5% per year, and over 400,000 properties have increased by more than 13% per year – volatility caused by the system, not our actions!
- through all party consent in Nov 2006 the **Nova Scotia** Legislature has capped assessment increases from 2008 onwards **at the rate of inflation**. - so there is a Canadian precedent.
- the Canadian Federation of Independent Business (CFIB) in an Oct 2006 report showed that Ontario collects more in property tax (as a % of GDP) **than any country in the OECD**. - so fairness becomes a huge issue.
- **15 states in the US** have capped assessments and none have subsequently removed it - so it works.
- Maryland is the only US jurisdiction that uses a phase in approach similar to the Liberal policy, and it **also imposes a cap** – so why has the Ontario Government short-changed us?
- the Ontario **Ombudsman** said in his report " It is not the function of the Ombudsman of Ontario to supplant the role of Parliamentarians, who decide the broad-based policy issues. Having said this, I cannot ignore the tidal wave of criticism that was directed at the legislative framework for property assessment in Ontario during this investigation." He then expanded on these concerns as including the volatility and unpredictability of assessments, the shift in tax burden to "hot" property markets that trapped seniors and people on fixed incomes and the resulting tax on substantial unrealized capital gains. - so the concern is widespread.
- When the **current 3 year assessment freeze** comes off in 2008, if the Liberals survive the Oct 10, 2007 election, they will have to deal with some very upset and hurting people if nothing further is done before then.
- an assessment cap is **revenue neutral** to both the municipalities and the province. It does not cap taxes - only the volatility of their distribution amongst property owners.

Write or email your MPP TODAY – see www.captr.org for how to do it!

* CAPTR is the Coalition After property Tax Reform comprised of Associations representing over one million Ontario property owners.

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