



IN THE HEADLINES

Canada's first registry to stop pre-sale property flipping and tax evasion – In what it says is Canada's first, **British Columbia** launched its Condo and Strata Assignment Integrity Register (<https://www2.gov.bc.ca/gov/content/housing-tenancy/real-estate-bc/condo-strata-assignment-integrity-register>) to “moderate the condo market.” Developers are now required to “gather and report the identity and citizenship of anyone completing a contract assignment in a project.” The province says the practice was a factor in increasing prices while facilitating tax evasion. “For too long, speculators and tax evaders have been taking advantage of loopholes in our real estate market, driving up prices and shutting British Columbians out of the market,” said Minister of Finance Carole James. Developers are to file a report each quarter, the first due April 30, covering January 1 to March 31, 2019. The filing fee is \$195 – “a small fraction of the cost of flipping a condo unit.” (<https://nationalpost.com/pmnl/news-pmnl/canada-news-pmnl/first-of-its-kind-registry-in-b-c-targets-under-the-radar-condo-flippers>)

In **Little Mountain**, one of Canada's largest low-income housing projects, BC Housing could have subdivided and sold individual lots, reaping a windfall for higher assessments to get “the massive uplift in value, instead of selling to an offshore buyer at a discount.” Past provincial governments have “not only screwed taxing jurisdictions by perennially under-assessing trophy properties – they've handed over massive amounts of prime real estate to developers, all whilst ignoring BC's needs for affordable housing.” (Paywall link: <https://www.theglobeandmail.com/real-estate/vancouver/article-bc-has-lost-millions-to-under-assessed-commercial-properties-former/>)

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The next issue of
***Municipal World
Journal*** will be in your
inbox April 15, 2019.

Opportunity Zone include tax breaks for NFL stadiums

– Fifteen National Football League stadiums are in Opportunity Zones (<https://www.cdfifund.gov/Pages/Opportunity-Zones.aspx> and <https://eig.org/wp-content/uploads/2018/02/Opportunity-Zones-Fact-Sheet.pdf>), a program meant to spur long-term investment in economically distressed areas. A few examples:

- **Baltimore Ravens** – M&T Bank Stadium is eligible for improvements, some underway. Construction of a new escalator and elevator system is part of a \$120 million renovation. Renovations to club level concessions and an upgrade of the stadium's sound system are underway.
- **Las Vegas Raiders** – The new Las Vegas Stadium is a \$1.8 billion project expected to open in time for the 2020 NFL season, sitting in an Opportunity Zone tract, eligible for tax breaks if the developers structure funding under a Qualified Opportunity Zone fund.

The program's requirement that investments must "substantially improve" zone property in order to qualify for tax breaks is "quite loose." While investment may substantially improve the value of zone property, it does not mean the investment will aid residents and improve economically distressed communities. <https://opportunitydb.com/2019/02/nfl-stadiums-eligible-for-opportunity-zones-tax-break/>

- Evidence suggests place-based incentive programs fail to create new economic opportunity, being structured in a way that encourages firms to cross borders for tax breaks. <https://taxfoundation.org/opportunity-zone-nfl-stadiums>
- Opportunity Zones: What We Know and What We Don't, <https://files.taxfoundation.org/20190107155914/>

Opportunity-Zones-What-We-Know-and-What-We-Don%E2%80%99t-FF-630.pdf.

COAST TO COAST TO COAST

British Columbia – Her seven-bedroom, \$18.98 million mansion in **Vancouver's** Shaughnessy neighbourhood – "one of the most coveted addresses in the city" – isn't where Huawei's CFO Meng Wanzhou is staying while being detained (<https://luxmorealty.com/officelistings.html/listing.r2028167-1603-matthews-avenue-vancouver-v6j-2t1.54279283>). Meng is living at her six-bedroom, \$6 million house in the Dunbar neighbourhood while the other one is being renovated. "Meng has tapped into anger and resentment here at the incredible inequality in Vancouver, this idea that foreigners are buying freedom here and turning Vancouver into a hedge city where you park your money, but you don't stay," said Andy Yan, adjunct professor at Simon Fraser University who studies the social consequences of Vancouver's real estate explosion. <https://www.nytimes.com/2019/03/04/world/canada/huawei-canada-meng-wanzhou.html>

Alberta – Since July 2017, the **Resort Municipality of Whistler** has required short-term rentals to have a business licence before marketing any accommodation to tourists. Properties are only given a licence if they are zoned for tourist accommodation and those without a business licence will be ticketed and shut down, forcing bookings to be cancelled. As of mid-February 2019, Bylaw Services wrote up more than 30 notices for illegally marketed

properties with fines of \$500 per notice. <https://www.whistler.ca/media/news/business-licences-required-all-accommodation-marketed-tourists>

Saskatchewan – The **Town of Battleford** approved a tax incentive for the economic development of two vacant floors in the downtown post office building. Fieldstone Holdings requested an abatement of the 2019 municipal tax portion for the two floors, 41 percent of the property area. Plans are to develop and lease the second floor for offices and the third floor for an apartment. Citing a lack of formal policy, said Councillor Susan McLean Tady, “But to be doing tax abatements, I think it’s something that should be available to every business we have, and not just coming at us like this. I have a problem with it.” While the upper floors will receive the abatement, the main floor used by Canada Post will be fully taxed. CAO John Enns-Wind said the amount to be abated is not significant. <https://sasknow.com/2019/03/05/battleford-council-grants-tax-abatement-for-economic-development/>

Ontario – The **Town of Tillsonburg** will increase its municipal tax levy by 2.2 percent in 2019. In addition, residents who have seen an increase in the assessed value of their properties – as determined by MPAC – will see an additional increase. <https://www.woodstocksentinelreview.com/news/local-news/tillsonburg-announces-2019-levy>

In lieu of waiving building permit fees projected at \$15,000 and property tax leniency, area homes damaged by a gas explosion in **Caledon Village** were given financial leniency in a grant. Staff are filing assessment applications with

MPAC to assist with changes, the town paying late fees for taxes up to 60 days. <https://www.caledonenterprise.com/news-story/9184690--what-we-re-trying-to-do-is-help-the-residents-caledon-mayor-says-of-financial-relief-for-homes-damaged-by-explosion/>

New Brunswick – At least 179,000 properties with higher assessments are getting tax increases. Popular resort towns like **Saint Andrews** saw the largest increase in values. Service New Brunswick said that translates to 38 percent seeing an assessment and tax increase this year. About 28,000 of those will see tax bills rise five percent or more. Most landowners will not pay more than last year. This is the first year assessments were able to rise after being frozen, then unfrozen, after the controversy over inflated tax bills. The province froze assessments in 2018 after errors in bills were sent to hundreds of homeowners in 2017. <https://www2.snb.ca/content/snb/en/sites/property-assessment.html>

Quebec – Finance Minister Eric Girard presented the province’s fifth straight balanced budget with plans to return \$889 million to taxpayers by reducing property tax rates. School property tax is adjusted upward by \$60 million in 2018/2019, explained by the higher growth in taxable property values: “The growth of farmland value has accelerated in recent years, increasing the taxes paid by farmers. Pending a longer-term solution to this issue, the government intends to increase its support for the agricultural community by \$15 million so that the share of property taxes paid by farmers for the years 2019 and 2020 does not increase.” http://www.budget.finances.gouv.qc.ca/budget/2019-2020/en/documents/BudgetPlan_1920.pdf

United States – ExxonMobil, seeking several controversial tax breaks for its **Baton Rouge**-area plants, filed advance notifications on a new round of exemptions in 2019 through the state's Industrial Tax Exemption Program. If Exxon does move forward, it would likely set up another battle with critics in addition to the existing fight over exemptions it already sought. Exxon filed five advance notifications with Louisiana Economic Development in December, planning to spend a collective \$422.2 million. The tax breaks are worth \$42.5 million over 10 years, notes Together Baton Rouge (<https://www.togetherbr.org>). In **Louisiana**, \$80.44 billion of industrial property is exempted. PDF of *The Advocate's* ground-breaking series on industrial tax exemptions, "No strings attached": <https://www.togetherbr.org/2018-12-17>

Sonoma County directed fire chiefs to plan for a possible sales tax measure to pay for more firefighting services, authorizing \$1.6 million a year to help fund a fire agency consolidating four existing departments and 11 volunteer fire companies. For years, officials called for reforms to more effectively organize firefighting. The funding – in addition to the \$500,000 to set up the agency – comes from hotel bed taxes, state public safety funds, and the fire department's budget. Although it would require approval before being put on November's ballot, the biggest source of money could come through a possible \$0.05 sales tax measure to raise \$42 million annually. <https://www.pressdemocrat.com/news/9224767-181/sonoma-county-supervisors-endorse-study>

THAT'S AN IDEA!

Bidding on unused municipal facilities to renovate a community – While the Bluewater Youth Detention Centre near **Goderich, Ontario** closed seven years ago, it appears the province will now sell the 300-acre site. Central Huron "would get first crack at the former facility" that borders Lake Huron's shore. "I'd like to see a resort," said the municipality's warden, Jim Ginn. "A year-round attraction, a conference centre. Something to draw people to the area." While it's expected the buildings would be demolished – with a cost reaching into the millions – the property "could come fairly cheap." Economic Development Director Cody Joudry said, "While there's no official property assessment done yet, it's expected the asking price would be land value minus demolition costs." The county is eager to work with bidders with "the right idea to turn the former youth jail into something special." <https://london.ctvnews.ca/former-youth-jail-near-goderich-about-to-go-up-for-sale-1.4306742>

Barring fraudulent claimants from tax credit programs – People found to fraudulently claim a state property tax credit might be barred from reapplying for the STAR tax credit program for six years – held accountable for their attempt to profit at the expense of other taxpayers. STAR gives more than \$3 billion in property tax relief yearly, the program created to ease the burden of school property taxes on older homeowners and those with incomes of under \$500,000. <https://www.wkbw.com/news/local-news/cuomo-cheaters-should-be-barred-from-property-tax-credit>

Funding capital improvements with parking tax – New Jersey’s assembly passed a bill to allow the largest cities to impose a parking tax to fund capital improvements for pedestrian access to public transit stations. With a population cut-off of 100,000 residents, the new tax option would apply to six cities. https://www.njleg.state.nj.us/2018/Bills/A9999/5070_11.HTM

RESOURCES

How Land Transfer Tax Impacts Home Affordability Across Canada – Depending on the market, land transfer tax (LTT) “is either a reviled financial burden or a small addition to your closing cost bill.” While every province charges either a tax or fee for transferring real estate property and ownership, “wildly varying rates means you’ll pay anywhere from pocket change to tens of thousands of additional dollars upon closing your home transaction.” LTT or the equivalent of such fees are based on the total purchase price of a home to be paid in cash on closing. To find out how this affects affordability, real estate website Zoocasa examined the LTT structure, average home price, and applicable first-time home buyer rebates in 25 major Canadian cities. Check out the infographic to see how land transfer tax differs in each major Canadian housing market and its effect on overall housing affordability: <https://www.zoocasa.com/blog/how-land-transfer-tax-impacts-home-affordability-across-canada-infographic/>

Understanding Assessment on First Nation Lands from Clearing the Path, Winter Edition – First Nations

contract with qualified, independent assessors to assess leases, licenses, and other occupations of their lands. Over the past 30 years, a national approach to assessment of these “interests in land” developed. To understand the approach and the reasons, it is important to understand key elements of First Nation taxation systems. How are occupations of reserve lands assessed? Where provincial property tax is levied on the fee simple interest, the province assesses value. Although specific rules and approaches vary among provinces, generally the objective is to determine market value. A common approach to determine market value is the sale price on the open market. Some systems also have rules for assessing non-fee simple interests that are taxable, including leases and licenses. Where a person is occupying Crown land, that person’s occupation is taxable and provincial assessment legislation directs the assessor to assess occupation based on the full market value as though it were held in fee simple by the occupier. First Nations have adopted this approach to assessment in their reserve lands. On reserve lands, the First Nation’s property assessment law governs how the assessor must assess each interest, as provincial assessment legislation does not apply. The approach is reflected in each First Nation’s property assessment law, which generally direct the assessor to assess each interest in land as though it is held in fee simple off reserve, because there’s no fee simple interest in reserve land. There tends to be a lack of comparable data on reserve lands as it avoids issues of reserve land valuation and provides for a similar tax burden to off reserve properties. English: <http://sp.fng.ca/fntc/fntcweb/>

CTP_v12_i03_Winter2019_ENG_WEB.pdf; French:
http://sp.fng.ca/fntc/fntcweb/CTP_v12_i03_Winter2019_FR_WEB.pdf

Does Local Government Autonomy Promote Fiscal Sustainability? Lessons from Illinois's Home-Rule Municipalities by Matthew Walshe – In Canada and the U.S., cities are often characterized as creatures of provincial or state legislatures and can impose significant restraints on cities through measures such as tax and expenditure limits and debt restrictions. What are the consequences of giving a city greater autonomy? What impact does it have on a city's fiscal health? This paper looks at the effects of removing institutional restraints in **Illinois**, concluding that greater autonomy is associated with improved fiscal health. Walshe analyzes the effects of home-rule status on cities that face fewer constraints on tax rates, adoption of sales taxes, and debt. Walshe empirically determines the effects of home-rule status on several outcomes, including the size of government, revenues, and fiscal sustainability. Conclusions include: home-rule generates a \$60-per-capita improvement in a city's operating surplus, resulting from a large increase in own-source revenue and a smaller increase in operating expenditure; enlarges the public sector through increases in own-source revenue and operating expenditure of \$194 and \$144 per capita, respectively; reduces dependence on property tax revenue; and does not cause an increase in debt burdens. https://munkschool.utoronto.ca/imfg/research/doc/?doc_id=496

LEGAL BRIEFS

Northern Sunrise County v Virginia Hills Oil Corp, 2019 ABCA 61 (CanLII) – The Court of Appeal of Alberta determined linear property tax arrears are not subject to a special lien; the taxation provisions of the *Municipal Government Act* (MGA) do not grant special priority to municipalities for arrears (including electric power systems, telecommunications systems, railways, wells, pipelines). In receivership proceedings, the receiver brought an application for directions and approvals to distribute funds. **Alberta's** Court of Queen's Bench granted an order declaring pre-receivership linear tax claims owed to three municipalities were unsecured claims against the debtors' estates and not secured against the property. The municipalities appealed, arguing that linear tax arrears were secured claims, as the MGA's section 348(d)(i) includes linear property tax. That provision grants municipalities a special lien on such land and improvements. They also claimed that allowed them priority over all creditors (other than the Crown). The receiver's position was MGA section 348(d)(i) was not clear as to what land was covered by a special lien. Court dismissed the municipalities' appeal and held "the words of an Act are to be read in their entire context, in their grammatical and ordinary sense harmoniously with the scheme of the Act." The reference to property tax does not include linear property tax arrears, hence the Act does not create a special lien in favour of municipalities for such arrears. Court noted that since linear property taxes are imposed on linear property operators and not the owner of such property, injustices

could arise where a special lien attached, and thus the owner of the property was not the operator from whom arrears would be due. <https://www.canlii.org/en/ab/abca/doc/2019/2019abca61/2019abca61.html>

QUOTABLE QUOTE

Fair tax compensation – “Why should we pay taxes when we have no part in the honours, the commands, the statecraft, for which you contend against each other with such harmful results?” – Hortensia (fl. 50BC), Roman noblewoman and orator.

WORK WORD

boycott *n.* An organized effort by consumers to express displeasure with a firm by not purchasing its products. The term originates with Charles Boycott, a 19th Century Irish land agent who suffered a tenant revolt when he refused to reduce rents. From *White Knights and Poison Pills: A Cynic's Dictionary of Business Jargon* by David Olive.

BECAUSE WE'RE PROPERTY GEEKS

Spiking pension costs effect Home Alone tax bills – The owners of 671 Lincoln Avenue in **Winnetka, Illinois** – featured in the 1990 film *Home Alone* – paid \$38,564 in property taxes for 2018, paying more than \$850,000 in total taxes since 1990. Taxes “spiked heavily to more than \$30,000 in 2007 from just over \$24,000 in 2006.” The house sold for more than \$1.5 million in 2012. **Cook**

County's tax increases have given **Chicago** one of the highest property tax rates in **Michigan**, the collar counties also high. If “homeowners are going to see any sort of property tax relief, it will need to start with pension reform.” Since the movie came out and the home's owners had to pay more than half its value in property taxes, Winnetka employees in the Illinois Municipal Retirement Fund accumulated \$55.6 million in pension benefits. “An amendment to the state constitution's pension clause to allow for changes to future, unearned benefits is necessary if the state is ever going to get serious about property tax reform.” <https://www.illinoispolicy.org/home-alone-with-a-38500-property-tax-bill/>

Flintstone House “eye sore” and “public nuisance” – After being listed for \$4.2 million in 2015, the Flintstone House in **Hillsborough, California** had several reductions, selling in 2017 for \$2.8 million. With property taxes of \$39,938, it was sold by a manager at Hewlett-Packard who bought the home in 1996 for \$800,000 (<http://judymeuschke.com/property/61801883/45-berryessa-way-hillsborough-ca-94010>). Built in 1976 using innovative materials, the home's rusty orange blobs – apparently made by spraying a type of concrete over metal frames molded over balloons – are visible in the hills from the commuter highway (<https://sf.curbed.com/2017/6/27/15880468/hillsborough-flintstone-house-sold-price>). Its distinctive domes painted purple and red, the house is truly one-of-a-kind. The town is suing the current owner in State Superior Court to force her to remove the 15-foot dinosaur statues, a sign reading “Yabba Dabba Doo,” and other landscaping,

including large coloured mushrooms and animal sculptures. A panel of code enforcement officials declared the recent renovations to be a public nuisance and an eyesore, perhaps memorable from the highway, but not so much by nearby residents who allege the homeowner did not secure proper permits and approvals. <https://www.apnews.com/f87b643c63224fed98484c85d6d40f80>

GLOBAL AFFAIRS

New city-based property tax – **China** is to give local governments autonomy to decide property tax rates. Work on a draft tax is “steadily advancing,” said senior parliamentary officials. The comment sparked speculation **Beijing** may be looking at submitting a draft tax proposal this year, triggering a drop in share prices of Chinese property developers. Ying Zhongqing, National People’s Congress, deputy director of the financial and economic affairs committee, said they’ll set a few tax rate brackets for local governments to choose from. “Property tax is a local tax ... so when it is introduced, local governments should have a large degree of autonomy regarding to when it is levied and at what rate,” Yin said. The tax should deter speculators, prompting the selling of unoccupied homes instead of speculation. “Whoever has a larger house will pay more taxes, and whoever lives in the major cities or in central areas in a city will pay more taxes,” he said. China has considered a property tax for more than a decade, some fearing any tax will result in systemic financial risks. Pilot property taxes were introduced a few years ago, “but the glacial progress to roll it out nationwide” has drawn criticism. Beijing pledged to

slash trillions in taxes and fees to spur growth, entering the third year of trying to address property speculation. <https://www.reuters.com/article/us-china-parliament-property/chinas-property-tax-will-be-city-based-with-minimum-tax-free-threshold-senior-lawmaker-idUSKCN1QV0V1>

TRANSITIONS & OPPORTUNITIES

British Columbia: Regional District of Bulkley-Nechako is seeking a **CAO** <https://www.municipalworld.com/careers/chief-administrative-officer-75/>, as is **District of Stewart** <https://www.municipalworld.com/careers/chief-administrative-officer-73/>. The new CAO for **District of Sparwood** is **Michele Schalekamp** <https://www.municipalworld.com/career-announcements/michele-schalekamp/>.

Land Title & Survey and BC Assessment entered into a data sharing agreement formalizing the alignment of tax assessment data with survey and title data via ParcelMap BC (<https://ltsa.ca/parcelmapbc>). The arrangement provides more efficient access to a “comprehensive dataset delivering a rich visual representation of property information province-wide.” <https://ltsa.ca/news/ltsa-and-bc-assessment-enter-data-sharing-agreement-supporting-parcelmap-bc>

Manitoba: City of Winkler is seeking a **City Manager** <https://www.municipalworld.com/careers/city-manager-18/>.

Ontario: Town of Pelham is seeking a **CAO** <https://www.municipalworld.com/careers/chief-administrative-officer-77/>, as is **Town of Lakeshore** <https://www.>

municipalworld.com/careers/chief-administrative-officer-74/, **City of Sault Ste. Marie** <https://www.municipalworld.com/careers/chief-administrative-officer-76/>, **Township of South Frontenac** <https://www.municipalworld.com/careers/chief-administrative-officer-township-of-south-frontenac/>, and **Town of Whitchurch-Stouffville** <https://www.municipalworld.com/careers/chief-administrative-officer-town-of-whitchurch-stouffville/>. **County of Lennox and Addington** is seeking a **Director, Financial Services** <https://www.municipalworld.com/careers/director-financial-services-3/>. **Municipality of Central Elgin** is seeking a **Director of Financial Services / Treasurer** <https://www.municipalworld.com/careers/director-of-financial-services-treasurer/>, as is **Municipality of Thames Centre** <https://www.municipalworld.com/careers/director-finance-treasurer/>.

Nova Scotia: The new CAO for **Town of Berwick** is **Michael Payne** <https://www.municipalworld.com/career-announcements/michael-payne/>.

International: The Appraisal Institute is seeking comments from members on its proposed Guide Note related to methodology for valuing the fee simple estate, including big box retail properties. Comments are due April 15. See "AI Professionals Asked to Comment on Big Box Guide Note" <https://www.appraisalinstitute.org/news/>

CALENDAR

May 8-10 – 2019 Ontario Municipal Administrators' Association (OMAA) Spring Workshop,

Niagara-on-the-Lake, ON. <https://www.omaan.on.ca/en/workshops-and-events/2019-omaan-spring-workshop.asp>

May 19-22 – 113th Government Finance Officers Association (GFOA) Annual Conference, Los Angeles, CA. <http://www.gfoa.org/conference>

May 30-June 2 – 2019 Federation of Canadian Municipalities (FCM) Annual Conference and Trade Show, Quebec City, QC. <https://fcm.ca/home/events/upcoming-events/2019-annual-conference-and-trade-show/trade-show.html>

QUIRKY BUT TRUE

Family pug seized and sold to cover unpaid debts – A family in **Ahlen, Germany** was unable to pay their debts, so town officials came for assets. Besides a laptop and coffee machine, they took the dog, Edda, a one-year-old purebred pug. Officials valued Edda at €750 and then listed her on eBay, selling her for a "slightly lower price," said town treasurer Dirk Schlebes. "The money went into the town coffers." Edda's owners had failed to pay funds owed, including a dog tax. The new owner asked the town for compensation after Edda's significant medical bills, the town then facing pressure to explain the seizure. While the seizure was "legally permissible," criticism of the tactics may be warranted, said Ahlen's spokesman. "Obtaining the proceeds of the sale through a private eBay account was a very questionable decision by the enforcement officer," said Frank Merschhaus, adding they're conducting an internal investigation. They seize pets, "only if multiple requests

for payment go ignored or agreements for installment payments are not adhered to.” <http://www.dpa-international.com/topic/petty-debt-dispute-german-town-seizes-family-dog-sells-it-190228-99-185202> and <https://www.npr.org/2019/02/28/698900379/in-germany-family-pug-seized-and-sold-on-ebay-to-cover-unpaid-debts>

Dr. Disaster cleans up horrific properties – Besides appraising spent nuclear waste and landfills, Randall Bell of Landmark Research Group, LLC (<https://www.landmarkresearch.com>) and an Appraisal Institute author, has made a career out of valuing property that’s been the site of horrific crime scenes. Called Dr. Disaster in real estate circles, Bell has worked with devalued property for decades. He got bored putting a price on commercial real estate: “I thought it would be fascinating, because I think I have adult ADD, and I like interesting, challenging things.” The OJ Simpson case launched Bell’s stigmatized appraisal business after a newspaper article included a quote from him. From the hundreds of cases he’s seen, the typical loss in value is 10 to 25 percent. “When you bulldoze a property, you have not bulldozed the stigma. The stigma is attached to the land,” he said. “We divide everything into three categories: cost, use, and risk.” Besides use and risk categories, Bell adds cleanup costs. “Use” means the house isn’t being normally used, so he calculates that loss. “Risk” is synonymous with stigma for a reduction in full value. Bell has worked on valuing the World Trade Center and Flight 93 crash site. In **California**, a family bought a house and, on moving in, found bullet holes. The family was then told the man who owned the house committed suicide. The sellers failed to disclose it (and failed to clean up properly). With Bell’s help, they filed a lawsuit against the broker and

seller. <https://ocweekly.com/randall-bell-made-millions-appraising-the-real-estate-of-infamous-homes-7045571/> and <https://www.dailymail.co.uk/news/article-6792099/Meet-real-estate-appraiser-deals-valuing-Americas-brutal-crime-scenes.html>

HORRIBLE WARNINGS

Rural municipalities face \$81 million shortfall in unpaid taxes from oil and gas companies – the Rural Municipalities of Alberta (RMA) conducted a member survey early in 2019 that identified property taxes from oil and gas companies have gone unpaid – \$81 million only from 54 of their 69 member municipalities reporting. Companies pay property taxes on the infrastructure they own. The 2014 downturn in oil prices affected the balance sheets of RMA members throughout the province: “Rural municipalities are much more reliant on taxes from industrial activities in comparison to urban communities.” Local governments often have little recourse to recuperate these unpaid taxes, as many companies declared bankruptcy and municipalities are low on the list of beneficiaries from asset sales. The province introduced the Provincial Education Requisition Credit (PERC) program to offset the education property tax portion of unpaid tax bills, requiring municipalities to write off the unpaid tax bill to qualify. Of those that responded, 24 indicated they have or would use PERC to offset some unpaid taxes, the education property tax a small component of overall property taxes. In the survey, the total amount municipalities have applied for under PERC is just over \$3.24 million. <https://rmalberta.com/news/rural-municipalities-facing-81-million-shortfall-in-unpaid-taxes-from-oil-and-gas-companies>

Rate of non-residents owning property and assessed value worth more than those owned by residents – A new report shows more than one in five residential properties in a **Metro Vancouver** area are owned by non-residents, a higher rate than previously thought and higher than any census subdivision with more than 5,000 properties among the three provinces for which data are available (i.e., **British Columbia, Ontario, Nova Scotia**). It shows newly constructed condos in Vancouver especially attracted the foreign market: 19 percent built between 2016 and 2017 were owned – or partially owned – by non-residents. The median assessment value of a non-resident-owned condo was worth \$96,000 more than those owned by residents. For detached houses, the median assessment value was \$236,000 (36.7 percent) more for non-residents than resident-owned. In **Toronto**, 7.6 percent are owned by non-residents, with a gap of \$37,000. Among all property types in British Columbia and Ontario, condominiums are the most popular for non-resident owners. (<https://www150.statcan.gc.ca/n1/daily-quotidien/190312/dq190312a-eng.html>)

Josh Gordon, assistant professor at Simon Fraser University School of Public Policy, said it's good this data is "finally being gathered and released," but questions remain unanswered. "There is the question of where the money is coming from for purchases or ownership, rather than simply 'residency.' Some of those deemed 'resident' may nevertheless be using foreign income or wealth, for example," he said in an email. (<https://www.theglobeandmail.com/canada/british-columbia/article-non-resident-owned-property-in-bc-worth-more-than-resident-owned/>)

AND FINALLY...

Traditional Links, owner of the Friar's Head Golf Club in **Baiting Hollow, New York**, had valuation of its 349-acre site cut by more than 60 percent. The New York State Supreme Court decision means the town will owe a refund of \$3 million for six years from 2009/2010 to 2014/2015, plus interest. In a 25-page decision, State Supreme Court Judge John Leo ruled the town "improperly valued" the course based on hypothetical future residential development. The private club with an 18-hole world-class golf course, clubhouse, and three guest cabins includes a Federal Aviation Authority-approved helicopter landing pad. The site is zoned residential, with a two-acre minimum lot size. At issue was the valuation of 45 acres of "excess land" that could be subdivided and developed for homes. The judge ruled the town incorrectly valued the site based on the "alleged residential development potential" of "excess land" not currently used as part of the golf course. "The excess land adds value to the property, but not 39 percent to 40 percent to the value as [the town] would have the court add due to a hypothetical subdivision," the judge ruled. Total tax due in the current tax year, based on valuation invalidated by the court, appears to be \$810,595, including \$485,783 in school tax and \$200,673 in town tax, plus special district and other property taxes. "The town will be appealing the decision," wrote assessor Laverne Tennenberg. <https://riverheadlocal.com/2019/03/03/exclusive-private-golf-club-in-baiting-hollow-has-property-tax-bill-slashed-by-court/>

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