



Staff Report to Council - for Information

Title: 2023 Municipal Property Assessment Corporation Report and 2024 Fees

From: Edward Henley, Director of Corporate Services

Date: January 11, 2024

Report Purpose:

This report is for information.

Report Summary:

The services provided by the Municipal Property Assessment Corporation (MPAC) form the foundation for how the County distributes the levy to fund its operations. MPAC charges the cost of its services to municipalities as the County's percentage of the entire provincial assessment base. The fee is one of the larger single item expenses for the County.

Background:

The [2023 Municipal Partnerships Report](#) is available. The [2023 MPAC Annual Report](#) will be posted soon. The [MPAC 2021-2025 strategic plan](#) is also posted.

Assessment valuation date for 2024

The current assessment valuation date remains January 1, 2016. The 2016 valuation date was to be in place until December 31, 2020 with a 4-year phase-in for 2017, 2018, 2019 and 2020.

A new assessment was conducted with a January 1, 2019 valuation date and was to be in place effective January 1, 2021 with a 4-year phase-in for 2021, 2022, 2023 and 2024. The provincial government announced in 2020 that the new assessment cycle would be delayed for 2021 and that the fully phased-in January 1, 2016 valuation date would continue to be in place.

The provincial government announced in 2021 that the new assessment cycle would continue to be delayed for 2022 and 2023 and that the fully phased-in January 1, 2016 valuation date would continue to be in place. In 2023 it was announced that the January 1, 2016 valuation date would continue again for 2024 and that the Province would be reviewing property tax policy in 2024.

Any new construction or changes in the state and condition of properties have continued to be added to the assessment rolls and their assessed values are recorded as if they were constructed and valued compared to other properties as at January 1, 2016.

Financial/Staffing/Legal/IT Considerations:

The county's 2023 levy of \$1,631,504.31 is 1.87% higher than the 2023 levy of \$1,601,562.06 but lower than MPAC's overall 2.1% increase. This is due to the County's new assessment being less than the average assessment increase for the province. The levy amount is about \$8,000 over the 2024 budgeted amount of \$1,623,690.

MPAC provided a statement regarding the increased fee:

"MPAC has been controlling expenses through the strategic management of financial and business operations, which has allowed us to keep the municipal levy at a 0% increase over the past three years. However, we acknowledge that sustaining a 0% increase in the long term is not realistic. Due to the current economic situation, we are now facing the need to increase the levy by 2.1% to address the impact of inflation on our operations, including rising labour costs.

This decision was not taken lightly. Through our continued efforts to streamline existing services, control expenditures and find efficiencies, we were able to keep the increase to a minimum, ensuring it stayed below the current inflation rate.

Not all municipalities will see a 2.1% increase. Individual municipal levies are determined by a funding formula under the Municipal Property Assessment Corporation Act based on the weighted average of two factors: municipal share of the total assessed value and number of properties, compared to the rest of the province. An explanation of how MPAC calculated the municipal levy is available [here](#).

Additional information about Bruce County's specific 2024 levy calculation is available [here](#)."

Interdepartmental Consultation:

None required.

Link to Strategic Goals and Objectives:

Strategic Goals

No specific link.

Link to Departmental Plan Goals and Objectives, if any:

None identified.

Approved for Submission:

Christine MacDonald, Chief Administrative Officer