Municipalities Newfoundland and Labrador

Our people • Our place • Our potential



Municipalities
Newfoundland and Labrador

Assessments: Time for a Review?

MNL Regional Meetings 2016

Craig Pollett, CEO



Why review it? Just KILL it!

- We need property tax → But can't depend on it

- Benefits:
  - Visible and transparent
  - Sometimes, a benefit tax
  - Stability
  - Simplicity
  - Flexibility

- Weaknesses
  - Inelastic
  - Politically difficult
  - Doesn't generate sufficient revenue
  - Regressive
  - Not really a benefit tax
  - Promotes urban sprawl
  - Tax competition
  - Commercial rates too high

Municipal taxation around the world

	Property	Income	Sales	Other
Canada	97.8%	0%	4.9%	0%
Australia	100%	0%	0%	0%
US	71.4%	5.4%	23.2%	0%
France	50.5%	0%	20.2%	29.3%
Spain	30.6%	23.4%	42.3%	3.7%
Iceland	18.4%	75.3%	6.3%	0%
Germany	14.1%	80.5%	5.3%	0.1%
OECD	39.5%	38%	18.3%	4.2%

Mandate Letter: Minister Joyce

"In partnership with the Municipal Assessment Agency and Municipalities NL, you are directed to immediately initiate a review of the Assessment Act, 2006 that will address the timing of assessments, assessment criteria, and implementation of the associated mil rate."

Possible areas of reform

As per Municipal Assessment Agency

- Limit or cap assessment increases
- Banding
- Self-assessment
- Phase in changes
- Change base date
- Annual assessments
- Improve appeal process
- Education and communications

Preparing for Assessment Act Review

1. Determine the scope
2. Generate ideas from the sector
3. Research on other jurisdictions
4. Prepare Discussion Paper

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Discussion