
IMPACT OF REASSESSMENT 2018 RM OF BROKENHEAD

1. OVERVIEW OF REASSESSMENT 2018

- This report provides Council with an overview of the impact of Reassessment 2018 in your municipality.
- For 2018, the assessed values of all properties will be updated to April 1, 2016 market values (reference date), from April 1, 2014 market values. Property assessments were last updated in 2016.
- The updated assessments will be used for 2018 property taxes.
- This report will provide details on:
 - how taxable assessments have changed in your municipality and across the province
 - how Reassessment 2018 will impact municipal and school taxes.
- Impacts in this report reflect Reassessment 2018 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 2016. 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 \$4.2 billion (6%) to \$78.4 billion (from \$74.2 billion).
- Your municipality's taxable assessment has increased by \$17 million (6%) to \$297 million (from \$280 million).

Changes in Your Municipality's Taxable Assessment 2017 to 2018 – By Property Class

Property Class	2017 (\$)	2018 (\$)	Change (\$)	Change (%)
Single Family Residential	212,571,230	210,380,400	(2,190,830)	(1.0)
Apartment	355,060	364,690	9,630	2.7
Condo / Co-op	1,634,210	1,649,690	15,480	1.0
Total Residential	\$214,560,500	\$212,394,780	(\$2,165,720)	(1.0%)
Farm	52,071,350	70,730,210	18,658,860	35.8
Commercial / Industrial	10,070,200	10,471,360	401,160	4.0
Institutional	197,610	235,590	37,980	19.2
Pipeline	330,900	327,650	(3,250)	(1.0)
Railway	2,330,560	2,452,910	122,350	5.3
Designated Recreational	177,180	139,200	(37,980)	(21.4)
Total	\$279,738,300	\$296,751,700	\$17,013,400	6.1%

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

- Taxable Assessment is the portioned assessment.

4. IMPACT OF REASSESSMENT 2018 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 2018 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 2016 mill rates against the 2017 assessment (to estimate the 2017 general municipal levy). For estimated 2018 general municipal taxes, the general mill rates were recalculated to raise the same amount of tax on the 2018 assessment.
- **School Division Special Levy** - The Special Levy was based on the 2017 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 2017 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 2018.

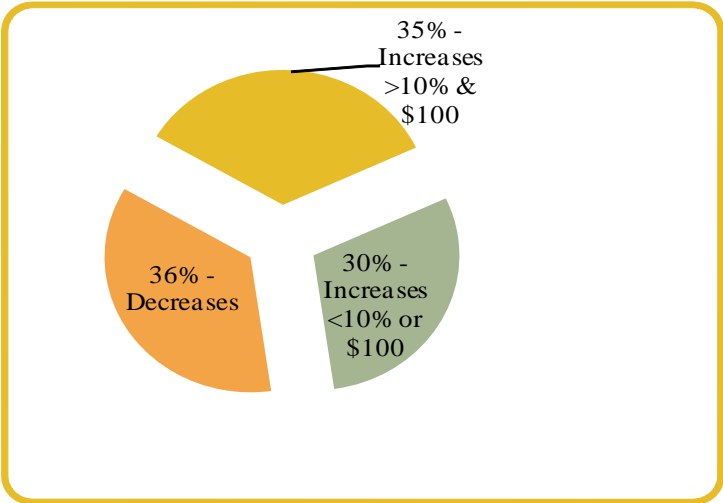
**Total Tax Change – Municipal & School
2017 to 2018 – By Property Class**

Property Class	2017 (\$)	2018 (\$)	Change (\$)	Change (%)
Single Family Residential	5,637,985	5,454,733	(183,252)	(3.3)
Apartment	8,373	8,549	176	2.1
Condo / Co-op	45,800	44,928	(872)	(1.9)
Total Residential	\$5,692,158	\$5,508,210	(\$183,948)	(3.2%)
Farm	1,459,449	1,927,037	467,588	32.0
Commercial / Industrial	379,584	377,026	(2,558)	(0.7)
Institutional	4,066	4,732	666	16.4
Pipeline	12,726	12,011	(715)	(5.6)
Railway	89,787	90,056	269	0.3
Designated Recreational	6,826	5,111	(1,715)	(25.1)
Total	\$7,644,596	\$7,924,183	\$279,587	3.7%

- 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 2018. The Attachment provides more detailed information.

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



	Number of Properties
With Tax Increases:	2,623
With Tax Decreases:	1,456
Total Properties:	4,079

- The table below illustrates how the Municipal Levy of each class of property in your municipality is impacted by Reassessment 2018.

**Tax Change – Municipal Levy
2017 to 2018 – By Property Class**

Property Class	2017 (\$)	2018 (\$)	Change (\$)	Change (%)
Single Family Residential	2,719,639	2,527,745	(191,894)	(7.1)
Apartment	3,502	3,480	(22)	(0.6)
Condo / Co-op	23,379	21,997	(1,382)	(5.9)
Total Residential	\$2,746,519	\$2,553,223	(\$193,296)	(7.0%)
Farm	744,199	942,324	198,125	26.6
Commercial / Industrial	135,681	132,203	(3,478)	(2.6)
Institutional	2,761	3,059	298	10.8
Pipeline	4,712	4,351	(361)	(7.7)
Railway	33,341	32,707	(634)	(1.9)
Designated Recreational	2,535	1,856	(679)	(26.8)
Total	\$3,669,748	\$3,669,748*	\$0*	0.0%

*May not add due to rounding.

- Properties with an assessment increase less than 6.1% should see a municipal tax decrease.
- Properties with an assessment increase greater than 6.1% 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.

6. PROVINCIAL PROPERTY TAX REDUCTION

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

7. INFORMING THE PUBLIC ABOUT REASSESSMENT 2018

- Ratepayers have been informed, or can receive additional information, about Reassessment 2018 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.

Total Tax Increases / Decreases Resulting from Reassessment

RM OF BROKENHEAD

Excludes Railway & Pipeline

	Under \$100	\$100 To \$199.99	\$200 To \$499.99	\$500 To \$749.99	\$750 To \$999.99	\$1000 To \$1,999.99	\$2,000 +	# of Roll Entries	Total Value of Change	% of Total Rolls	Average Change
% Change (-)											
UNDER -100%	-	-	1	-	-	-	-	1	(454.58)	0.0	(454.58)
-90.01% TO -100%	-	-	-	-	-	-	-	-	-	-	-
-80.01% TO -90%	-	-	-	-	-	-	-	-	-	-	-
-70.01% TO -80%	-	-	-	-	-	-	-	-	-	-	-
-60.01% TO -70%	-	-	-	-	-	-	-	-	-	-	-
-50.01% TO -60%	-	-	-	-	-	-	-	-	-	-	-
-40.01% TO -50%	-	-	1	-	-	-	-	1	(485.49)	0.0	(485.49)
-30.01% TO -40%	-	-	-	-	1	2	-	3	(3,700.59)	0.1	(1,233.53)
-20.01% TO -30%	1	-	-	2	1	1	-	5	(3,299.63)	0.1	(659.93)
-10.01% TO -20%	-	3	77	54	10	1	-	145	(70,474.03)	3.6	(486.03)
-5.01% TO -10%	9	130	291	14	-	1	-	445	(119,769.48)	10.9	(269.14)
0% TO -5%	634	193	27	-	1	1	-	856	(56,237.54)	21.0	(65.70)
% Change (+)											
0.01% TO 5%	441	50	7	-	1	-	-	499	24,416.89	12.2	48.93
5.01% TO 10%	211	117	50	2	-	2	-	382	44,159.00	9.4	115.60
10.01% TO 20%	78	107	109	15	1	-	-	310	62,158.53	7.6	200.51
20.01% TO 30%	99	139	66	10	2	1	-	317	55,956.28	7.8	176.52
30.01% TO 40%	31	78	95	15	2	-	-	221	51,369.41	5.4	232.44
40.01% TO 50%	38	62	142	34	4	-	-	280	78,908.95	6.9	281.82
50.01% TO 60%	71	80	291	61	54	1	-	558	198,073.08	13.7	354.97
60.01% TO 70%	12	4	15	1	3	-	-	35	8,602.79	0.9	245.79
70.01% TO 80%	1	1	6	1	2	-	-	11	4,356.18	0.3	396.02
80.01% TO 90%	-	-	1	-	-	-	-	1	303.77	0.0	303.77
90.01% TO 100%	-	1	1	2	-	-	-	4	1,569.47	0.1	392.37
100% +	-	-	2	1	-	2	-	5	4,582.82	0.1	916.56
Total Decrease	644	326	397	70	13	6	-	1,456	(254,421.34)	35.7	(174.74)
Total Increase	982	639	785	142	69	6	-	2,623	534,457.17	64.3	203.76
Overall Totals	1,626	965	1,182	212	82	12	-	4,079	280,035.83	100.0	68.65

*If you would like further details regarding the information in the table above, please contact the District Assessment Office in your region.