



Ontario

Assessment Review Board

Annual Report 2005-2006

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Chair's Message

I am pleased to present the Assessment Review Board's (ARB's) 2005-2006 Annual Report.

The ARB's deadline for receiving 2006 Annual Assessment complaints was extended until June 30th, 2006. This report covers the events of the fiscal year, which ran April 1, 2005 to March 31, 2006. The Board's caseload during this period included over 40,000 complaints deemed for 2005 and over 40,000 new complaints for the 2006 tax year.

Improvements to the Annual Assessment Complaint Form and the Board's complaint intake strategy helped reduce the number of incorrect or incomplete complaint filings. The ARB website continued to be a key resource for the public; providing information and the ability to file complaints online.

This year, the ARB welcomed 11 new Members to the Board. Enhanced training and mentoring programs were provided to facilitate their participation in hearings for the Board. Regional training sessions were also held for all active Members.

The ARB continued to streamline and refine its processes and procedures. The new *Municipal Act* Appeal Form was further modified to better assist appellants.

As the adjudicative tribunal Ontarians look to when contesting property assessments, the ARB is fully committed to providing access to natural justice in a fair, open and efficient manner.

Richard Stephenson

Chair

Section I: Assessment Review Board Overview

Overview of the Property Assessment System



The above diagram illustrates the major participants in the property assessment system of Ontario. The provincial government, through the Ministry of Finance, sets the laws regarding property assessment. Municipalities are responsible for setting tax rates and collecting property taxes. The Municipal Property Assessment Corporation (MPAC) assesses and classifies all properties in Ontario. If there is a dispute between a property owner and MPAC, the property owner can file a complaint with the Assessment Review Board (ARB).

Purpose of the Board

The Assessment Review Board (ARB) is an independent adjudicative tribunal established under statute by the Province of Ontario that hears complaints about property assessment and classifications. In a court-like setting, the ARB hears these complaints and renders a decision based on the laws and the evidence presented at the hearing.

The Board, which operates under a number of legislative authorities, also deals with complaints on matters such as school support designation and some *Municipal Act* appeals.

The Board's primary mandate is to ensure that properties are assessed in accordance with the provisions of the *Assessment Act*. ARB hearings are held throughout the province, generally in the municipality where the property is located. Through the hearing process, the complainants, or their representatives, are given the opportunity to present their case to the Board.

Along with other regulatory and adjudicative agencies, the ARB helps form the administrative justice sector in Ontario. These core agencies provide justice that is less expensive, less complex and less formal than the courts.

Agency and Board Members are an integral component of Ontario's social and legal infrastructure. They possess specialized knowledge of relevant legislation and matters in their particular field.

History and Jurisdiction

Property assessments have been conducted in what is now Ontario since 1793. In 1970, the province assumed the role of assessing property from municipalities and replaced the Courts of Revision with the Assessment Review Court (ARC). ARC was renamed the Assessment Review Board in 1983.

With the enactment of the *Fair Municipal Finance Act, 1997*, the ARB became the province's sole adjudicative tribunal for property assessment complaints. The legislation reduced duplication and ensured that the Board was the final tribunal of appeal for such complaints. Prior to 1998, ARB decisions could be appealed to the Ontario Municipal Board (OMB).

In 1998, an amendment to the *Assessment Review Board Act* gave the ARB the capacity to dismiss frivolous complaints. Decisions by the Board are final and binding, subject only to appeal to Divisional Court on questions of law when the Court grants leave to appeal. The Board also exercises the power to review its decisions.

The Board's jurisdiction and its authority are defined by the *Assessment Review Board Act*, the *Assessment Act*, the *Municipal Act, 2001*, the *Education Act* and the *Statutory Powers Procedure Act*.

Legislative Changes - Regulations

I. New Resort Condominium Property Class

On May 17, 2005 a regulation (O. Reg 211/05) was filed to create and define a new property class for condominiums that meet the following five criteria:

- 1) a condominium unit;
- 2) a self-contained furnished unit providing transient living accommodation for a fee or charge for minimum periods of less than 30 days;
- 3) located in a municipality with a population of 10,000 or less;
- 4) located within a resort that operates year-round and which contains or is adjacent to a downhill ski complex and an 18-hole golf course; and
- 5) owners of the condominium units are required by special Act to belong to a non-profit association that has the power to pass by-laws controlling the use of the land.

Upper-tier and single tier municipalities may adopt the resort condominium property class and the residential tax rate will apply for education tax purposes. For municipal tax purposes, municipalities have the option of applying the residential rate.

If the class is not adopted, properties would remain in the commercial class.

There are also corollary regulations made under the *Municipal Act, 2001* (O. Reg. 210/05, O. Reg. 212/05 and O. Reg. 214/05) and *Education Act* (O. Reg. 213/05) for the new resort condominium property class.

II. General

a) Ontario Regulation 307/05 was filed June 13, 2005 and concerned the removal of references to “same-sex partner” in sections 8 and 28 of Ontario Regulation 282/98 to reflect the expanded definition of spouse in Part III of the *Family Law Act*.

b) Ontario Regulation 365/05 was filed on June 21, 2005 and concerned the inclusion of 268 Merton Street, Toronto in the new multi-residential property class for the 2005 taxation year if the land would otherwise be in the multi-residential property class.

c) Ontario Regulation 371/05 was filed on June 22, 2005 and concerned Part VIII of Ontario Regulation 282/98 and the assessment of pipe lines for specified years.

III. Wineries

On October 7, 2005, Ontario Regulation 536/05 was filed and concerned winery operations for 2004 and subsequent taxation years. The purpose of this regulation was to clarify the wording in Ontario Regulation 282/98 regarding the treatment of certain buildings and related lands on farm properties including wineries.

IV. Managed Forests

On December 13, 2005, Ontario Regulation 656/05 was filed and concerned the assessment of managed forests for 2006 and subsequent taxation years. The assessment values of managed forest properties will be similar to the assessed values of wood lots on farms in the same area.

The Spring 2005 Budget Bill (Bill 197) introduced legislation permitting new assessment methodologies for managed forest properties. Bill 197 received royal assent on December 12, 2005 and came into force on royal assent. Schedule A to Bill 197 contained amendments to the *Assessment Act* regarding managed forests.

A new subsection 19(5.2.1) allows the Minister of Finance to make regulations (see above) providing that the current value of land in the managed forest property class shall be determined in accordance with the regulations. As a result of this new subsection there were also consequential amendments to other provisions of the *Assessment Act*.

V. Extension of Assessment Appeal Deadline for 2006

On March 29, 2006, the Minister of Finance introduced legislation to amend section 40 of the *Assessment Act* to extend the appeal deadline for assessment complaints for the 2006 taxation year from March 31 to June 30, 2006 (three months). Bill 85, the *More Time to Appeal Act, 2006*, received royal assent on March 31, 2006 and came into force on that date.

New Rules of Practice and Procedure

There were no changes to the Rules during this fiscal period.

Section II: Operations 2005-2006

2005-2006 Caseload

At the beginning of the 2005-2006 fiscal year, the ARB had a total of 80,300 complaints on file. During the 2005-2006 fiscal year, the Board received approximately 82,000 complaints. This included complaints deemed on April 1, 2005 for the 2005 tax year, and complaints filed by March 31, 2006 for the 2006 tax year. By the end of the fiscal year over 64,000 complaints were resolved. The bulk of the outstanding caseload at the end of the fiscal year consisted mostly of complex, non-residential properties from prior years and new complaints for the 2006 tax year received in March.

Complex cases may require multiple pre-hearings to clarify the issues, therefore, more time could be required by the parties to gather evidence and prepare testimony. Consequently, the resolution of these cases may extend over several fiscal years.

Table 1: Caseload 2003-2004 to 2005-2006

Year		2003-2004	2004-2005	2005-2006
Opening caseload balance		93,800	126,600	80,300
*Caseload received	+	80,200	12,700	82,000
Total caseload for year	=	174,000	139,300	162,300
Resolved caseload	-	47,400	59,000	64,200
Balance at the end of the fiscal period	=	126,600	80,300	98,100

Note: The municipal tax year begins January 1 and ends December 31. The deadline for annual assessment complaints to the ARB is usually March 31 of the tax year, which corresponds with the end of the provincial fiscal year. For the 2006 tax year, the deadline was extended until June 31, 2006. However, the numbers reflected in the above chart are consistent with the provincial fiscal year, April 1, 2005 to March 31, 2006.

***Caseload Received** includes all types of complaints and appeals dealt with by the Board, including annual assessment complaints, supplementary and omitted assessment complaints and Municipal Act appeals.

Performance Results

The ARB hears all assessment complaints in Ontario. Generally, residential complaints can be streamed directly to a full hearing and are consequently resolved faster than many non-residential complaints, which may require multiple hearing events.

The ARB works to resolve residential complaints within one year of filing. In the 2005-06 fiscal year, 86 per cent of residential complaints were resolved within one year.

The ARB strives to issue its decisions in a timely manner. In the 2005-2006 fiscal year:

- 85 per cent of decisions were issued within 90 days of the hearing
- 98 per cent of decisions were issued within 120 days of the hearing

Pre-hearings

Many complaints concerning complex, non-residential properties require extensive hearing time and may be presided over by a panel of Members.

These complaints are screened based on established criteria such as property classification, size and assessed value, and may be directed into pre-hearings. During the pre-hearing process, the Board works with the parties to establish a schedule for proceeding and may issue procedural orders to direct exchanges of information and pre-filings. Pre-hearings have the potential to expedite the hearing process and allow parties to reach a settlement before a hearing begins.

Teleconferences

It can sometimes be difficult and time consuming to coordinate a hearing when parties need to travel across the province. For these cases, the Board conducts telephone conferencing, or “electronic hearings.” In 2005-2006, the Board conducted more than 2,250 teleconferences. Teleconferencing is a practical way to provide status updates and determine next steps toward issuing procedural or consent orders, resolving contentious matters and, in some instances, settling complaints. This service saves time and money by reducing travel for all parties involved in Board hearings.

Website & Electronic Service Delivery (ESD)

The Board’s website, www.arb.gov.on.ca, plays a key role in providing information and services to the public.

In 2005-2006, the Board enhanced its existing E-Services to continue providing efficient ESD. Throughout the year, the Board’s website, E-Status and E-File options were updated and improved, with a focus on user friendliness and clear language.

In addition to providing information to the public, the website hosts three main services:

E-File

E-File is a tool that allows the public to submit annual assessment complaints via the ARB website. All required information and the appropriate filing fees are collected and verified electronically online. E-Filed complaints are accepted immediately into ARBIS, the ARB's electronic case management system. E-Filed complaints do not require manual data entry, reducing the required processing time. During the 2006 intake period, over 23,000 complaints were E-Filed by March 31.

E-Status

E-Status allows complainants to check the status of their complaints directly from the ARB website by entering the 19-digit roll number assigned to their property. E-Status displays information about complaints, hearings (once scheduled) and decisions (once issued). In 2005-2006, E-Status received approximately 2,000 to 3,000 inquiries each month.

In response to user suggestions, E-Status now displays the most recent Board Order number issued for a complaint, as well as hearing start times for telephone conference calls.

E-Calendar

E-Calendar provides complainants, representatives and other interested parties current information about ARB hearings throughout Ontario. Hearing information can be obtained by searching for the location of a property or the location of a hearing.

Public Information and Outreach

The Board strives for effective and timely communication with the public and stakeholders. To communicate more effectively, the Board has undertaken projects to:

- Update and re-design its *Filing a Complaint* and *Preparing for a Hearing* pamphlets. Both pamphlets are available on the Board's website in downloadable formats;
- Improve its audio text system by providing clients with more options for obtaining information quickly and easily. The after-hours message has also been updated to include more information about the Board and the complaint and hearing process;
- Expand on correspondence with complainants via e-mail. The Board answered over 2,500 e-mails. Clients used e-mail to inform the Board about a variety of issues, including change of address, withdrawals and requests for written reasons;
- Update its complaint forms and instructions to include improvements suggested by the public, staff and Adjudicators.

Member Training

Ongoing Member training remains a priority at the ARB. Newly appointed Members have the benefit of an in-house introductory session, in-hearing mentoring by senior Members and courses that are tailored to the issues Members confront in the various types of ARB hearings. Regional training sessions are occasionally held for all active Members. As well, all Members are encouraged to attend educational courses available through the Society of Ontario Adjudicators and Regulators (SOAR).

Section III: Financials

Expenditures

Table 2: Expenditures 2003-2004 to 2005-2006

ACCOUNT ITEMS	2003-2004 (\$)	2004-2005 (\$)	2005-2006 (\$)
Salary and Wages	4,306,190	4,037,987	4,346,465
Employee Benefits	537,499	559,998	646,618
Transportation and Communications	1,034,130	841,948	793,523
Services	2,075,266	1,756,273	1,373,306
Supplies & Equipment	259,390	309,816	299,649
Transfer Payment	NIL	NIL	NIL
TOTAL	8,212,475	7,506,022	7,459,561

Revenue

Under the authority of the *Assessment Review Board Act* and a regulation made under the *Interpretation Act*, complaints and appeals must be accompanied by the required filing fee. The filing fee, which varies depending on property type, is collected by the ARB and is immediately transferred to the Ministry of Finance.

Table 3: ARB Revenue 2003-2004 to 2005-2006

FISCAL YEAR	REVENUE COLLECTED (\$)
2003-2004	5,411,807
2004-2005	1,184,636
2005-2006	2,484,565

Section IV: ARB MEMBERS 2005-2006

ARB Chair

Date Appointed

STEPHENSON, Richard F.
Chair

April 7, 1993
May 21, 2004

ARB Vice-Chairs

BUTTERWORTH, Robert
CAMPBELL, Susan
MATHER, Susan
SEARBORN, Jan

November 19, 1997
May 27, 1998
November 19, 1997
March 23, 1998

ARB Members

Below is a list of the ARB's part-time Members during the 2005-2006 fiscal year.

Member

Original ARB Appointment

ANDREWS, Peter
BACHLY, David
BELANGER, Mignonne
BIRNIE, Ian
BIRTCH, Tom
BROWN, Douglas C.
BROWNLIE, John D.
BRYANT, Lance R.
CALDWELL, John S.A.
CARPENETO, James J.
CASE, Jeanette V.
CASTEL, André
COBURN, Brian
COWAN, Bernard A.
CROSSLAND, Ernest
CUPIDO, Charles
DATE, Dennis J.
DOWLING, Thomas
DRIESEL, Sandra
EMERSON, Judi
GELMAN Stanley
GRANDMAITRE, Bernard
GRIFFITH, E.J.W.
GRIFFITH, Jennifer
HETTMANN, Alexander S.
HOPE, Ying
HUNTER, Robert

May 18, 2005
November 26, 1970
January 11, 1984
June 15, 1999
October 15, 1970
June 20, 2000
May 27, 1998
December 30, 1999
March 31, 2000
May 17, 1999
May 17, 1999
November 19, 1997
September 30, 2004
December 19, 1997
June 21, 2000
October 1, 1980
May 27, 1998
November 17, 1970
March 16, 2000
June 30, 2000
June 25, 2003
October 8, 1997
November 12, 1970
September 17, 2004
May 17, 1999
June 30, 2000
May 21, 2003

Member**Original ARB Appointment**

INGLIS, Vern	May 27, 1998
JUSTIN, Edith	November 17, 1970
KANUCK, Nalin Dr.	May 7, 2003
KOWARSKY, Barbara	May 18, 2005
KELLY, Jim Sr.	May 17, 1999
LAFLAMME, Jacques	August 25, 2004
LANGDON, Patrick	May 28, 2003
LAWS, Joanne	February 10, 2006
LECH, Ted	October 29, 1970
LEVASSEUR, Romeo	May 18, 2005
MACKAY, Ann	August 25, 2004
MARCQUES, Ana Cristina	May 18, 2005
MCLEAN, Allan	October 8, 1999
MICHIE, Harry	October 15, 1970
MIDDLEBRO', John H.E.	May 17, 1999
MILNE, John E.	March 31, 2000
MINNIE, Garry	March 1, 2006
MITCHELL, Doug	December 30, 1999
MORIN, Gilles	September 30, 2004
NALEZINSKI, Les	March 1, 2006
NAPPER, William (Bill)	March 31, 2000
OLIVEIRA, Evangelista (Ivan)	May 17, 1999
PLUMSTEAD, Nicoll	May 18, 2005
RADE, Bernice M.	August 25, 2004
ROBERTSON, Luanne H.	June 30, 2000
ROHRER, Michael C.	July 21, 2000
ROLLAND, Charles L.	March 31, 2000
ROMAS, George	August 25, 2004
SAPONARA, Fausto	May 18, 2005
SCHERER, Paul J.	May 17, 1999
SIGSWORTH, Oscar	October 1, 1970
SMITH, Barry A.	November 26, 1970
STILLMAN, Paul M.	March 26, 1975
STONE, Carl A.	October 1, 1970
SUTTON, William (Bill)	September 17, 2004
TCHEGUS, Robert	February 10, 2006
TENNANT, Bryan R.	March 31, 2000
TERSIGNI, Joe	May 30, 2001
THOMPSON, Edmund (Ted)	May 17, 1999
WHITEHURST, Donald	May 18, 2005
WHITNALL, Raymond A.	May 17, 1999
WITTY, James	May 7, 2003
WYGER, Joseph M.	May 27, 1998
YOUNG, Ronal R.	May 27, 1998