

STAFF REPORT: Financial & Information Services



REPORT TO: Finance and Administration
MEETING DATE: February 15, 2011
REPORT NO.: FIS.11.04
SUBJECT: Golf Course Assessment Appeals
PREPARED BY: Ruth Prince, Manager of Revenue

A. Recommendations

THAT Council does hereby receive Staff Report FIS.11.04 "Golf Course Assessment Appeals" for information purposes.

B. Background

Over the past few months, the Municipal Property Assessment Corporation (MPAC) has been working with the National Golf Course Owners Association (NGCOA) to resolve the many long-standing assessment appeals for golf courses. Many of these appeals date back to 2001.

On December 20, 2010 MPAC announced that they had agreed on the Terms of Settlement with the NGCOA for golf course valuations for assessment purposes. The agreement sets out the principles necessary to arrive at a final value for all golf courses under appeal in Ontario and to provide guidance for the 2012 assessment base year. The revised income based valuation formula recognizes the inconsistencies in the previous valuation method and now allows for differences in green fee levels, capitalization rates as well as expense ratios.

All of the golf courses that are currently under appeal will be reassessed from the time of the appeal until 2011. For those golf courses that have not appealed their assessment, the assessed values will be reviewed using the revised valuation method for the 2013 tax year.

In The Blue Mountains, one of three golf courses has had an assessment appeal since 2007 and has recently reached a settlement with MPAC. The Blue Mountains has received Minutes of Settlement under Section 40 of the *Assessment Act* for 2007 and 2008. We are awaiting the same information from MPAC for 2009, 2010 and 2011.

C. The Blue Mountains' Strategic Plan

Providing a strong, well managed municipal government

D. Environmental Impacts

None

E. Budget Impact

The Minutes of Settlement for the one golf course in The Blue Mountains for the years 2007 to 2011 will result in a tax reduction in the Town tax portion of approximately \$82,533 (\$14,732 in 2010; \$67,807 in 2011). The Assessment Reduction Reserves has a balance of \$54,000 which will substantially fund the tax reduction. The remaining balance will be funded from the \$50,000 allocated in the 2010 Taxes Written Down Budget.

F. Attached

1. Assessment Appeal Reduction

Respectfully submitted,

Ruth Prince, Manager of Revenue

The Blue Mountains

2007 and 2008 Processed:

Year	Original Assessment			Assessment Review Board Minutes of Settlement Revised Assessment			Actual Reduction in Assessment			Tax Implications on Reduction of Assessment			
	Total Assessment Value	RT portion (Residential)	CT portion (Commercial)	Total Assessment Value	RT portion (Residential)	CT portion (Commercial)	Total Assessment Value	RT portion (Residential)	CT portion (Commercial)	Town	County	Education	Total
2007	\$11,299,000	\$8,354,000	\$2,945,000	\$7,500,000	\$5,550,000	\$1,950,000	\$3,799,000	\$2,804,000	\$995,000	\$14,732	\$18,689	\$25,853	\$59,274
2008	\$12,555,000	\$10,271,000	\$2,284,000	\$7,500,000	\$6,135,000	\$1,365,000	\$5,505,000	\$4,136,000	\$919,000	\$19,965	\$24,666	\$27,913	\$72,544

2009, 2010, 2011 Anticipated:

Year	Original Assessment			Estimated Revised Assessment			Anticipated Reduction in Assessment			Tax Implications on Reduction of Assessment			
	Phased-in Assessment Value	RT portion (Residential)	CT portion (Commercial)	Phased-in Assessment Value	RT portion (Residential)	CT portion (Commercial)	Phased-in Assessment Value	RT portion (Residential)	CT portion (Commercial)	Town	County	Education	Total
2009	\$12,300,250	\$10,285,250	\$2,015,000	\$7,995,250	\$6,685,490	\$1,309,760	\$4,305,000	\$3,599,760	\$705,240	\$16,396	\$20,141	\$21,599	\$58,137
2010	\$12,314,500	\$10,299,500	\$2,015,000	\$8,004,500	\$6,694,740	\$1,309,760	\$4,310,000	\$3,604,760	\$705,240	\$15,921	\$19,143	\$20,606	\$55,670
2011	\$12,328,750	\$10,313,750	\$2,015,000	\$8,013,750	\$6,703,990	\$1,309,760	\$4,315,000	\$3,609,760	\$705,240	\$15,518	\$19,164	\$20,618	\$55,301

2007-2011 Total Tax Implication **\$82,533** \$101,803 \$116,589 **\$300,925**