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**EVALUATING FAIRNESS IN
PROPERTY TAXATION:
A CONDOMINIUM PERSPECTIVE**

By

James S. Robertson

A Practicum
Submitted to the Faculty of Graduate Studies
in Partial Fulfillment of the Requirements
for the Degree of

MASTER OF CITY PLANNING

Department of City Planning
University of Manitoba
Winnipeg, Manitoba

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JAMES S. ROBERTSON

**A Thesis/Practicum submitted to the Faculty of Graduate Studies of The University
of Manitoba in partial fulfillment of the requirements of the degree**

of

MASTER OF CITY PLANNING

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ABSTRACT

Property taxation, for a variety of reasons, appears to attract more attention than other forms of taxation. Recent increases in revenues generated by property taxation have enhanced public awareness and concern. One group that has expressed concern over the fairness of property tax levies is the Manitoba Chapter of the Canadian Condominium Institute. Representing condominium owners all over Manitoba, the group questions the fairness of how property tax is levied against condominiums. This practicum investigates the effects of property taxation on the growing condominium community and on the development of condominiums.

The investigation examines both the theoretical and logistical characteristics of property taxation. The investigation considers the fairness of property taxation and evaluates it as both a wealth tax and as a benefit tax. By examining past government decisions there was sufficient justification for evaluating property tax as both a wealth tax and a benefit tax. In evaluating the fairness of property taxation from a condominium perspective, the study uses the City of Winnipeg as a case study. The study examines the accuracy of assessments and compares property tax revenues from condominiums to apportioned municipal expenditures.

The study reveals that condominium owners' concerns are partially justified. By examining property tax fairness using the definition of a wealth tax, condominiums are taxed unfairly but not inequitably. This means that, from a wealth tax perspective, although condominiums are taxed unfairly, this unfairness is experienced by all property

owners. When condominium property taxation was evaluated as a benefit tax there was evidence to suggest that condominiums were taxed fairly according to theory. However, when considering Provincial and Winnipeg court decisions, the definition of tax fairness becomes less apparent. To fully understand the condominium situation additional research with more detailed information on municipal budgets and population numbers would assist in solidifying the findings of this study.

ACKNOWLEDGMENTS

There are numerous people who have helped in the completion of this practicum and deserve my appreciation. My thanks must first go to my advisor Professor Peter Diamant and committee members Linda McFadyen M.C.I.P. and Professor Ian Wight Phd., M.C.I.P., each of these people devoted their time and energy for which I am thankful. Acknowledgement must also be given to the Manitoba Chapter of the Canadian Condominium Institute for providing me with the opportunity to exercise my planning education in a practical setting. Finally, but most importantly I must thank my wife Tracy who's support and work as editor was instrumental in completing this practicum.

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CHAPTER ONE: INTRODUCTION

1.1 INTRODUCTION

Across Canada and elsewhere there has been a growing interest in taxation and how governments manage their growing financial portfolios. Taxation is not a new issue nor is this the first time that it has received significant attention. In Canada, however, this is the first time that a number of governments are not only listening but are taking action. The federal government has decreased the deficit and several provincial governments operate balanced budgets. The general conclusion is that after a lengthy period, senior governments are finally developing responsible financial policies but continue to struggle with the large volume of accumulated debt.

In comparison to senior governments, local governments appear to have a difficult time developing a sustainable and responsible financial administration. In many instances, financial progress by senior governments has resulted in a downloading of responsibilities to local government. This downloading of responsibilities from federal and provincial governments has forced municipal governments to rethink how they fund and deliver services.

Within the Province of Manitoba, the City of Winnipeg is one municipality that has been forced to address this challenging issue. Downloading has placed financial strain on many municipal budgets. In addition, researchers, governments and planners have identified additional factors contributing to the financial strain of managing municipal services. The central force on municipal government is the need to maintain and increase

social programs. These factors have forced the City of Winnipeg to make difficult budgeting decisions that include an increased reliance upon property tax as a source of revenue.

The increasing role of municipal governments being experienced across the country has forced municipalities to deal with two main challenges. The first is to continue to provide current programs, while senior governments contribute decreasing amounts of financial assistance. This is evidenced regularly in cultural, social and recreation programs being either downsized or canceled as a result of a lack of funding. Further evidence of funding difficulties is experienced through partnerships and private funding in the form of capital infrastructure projects. Senior governments have begun requiring municipal governments to provide a significant portion of these costs. This has challenged many municipal governments to identify methods of generating the necessary funds for projects that may benefit those outside their municipal jurisdiction.

The second source of increasing municipal financial pressures is represented in the transfer of responsibility from senior governments to provincial and municipal governments. Although this has not occurred significantly in Manitoba, many senior governments are simply increasing the responsibility of municipal governments. A recent example in Canada includes Ontario's decision to make social assistance a municipal responsibility.

The changing resource base has forced many municipalities to find additional funds to provide services. The common method of generating funds for municipal governments has been through property taxation. This has resulted in an increase in complaints

regarding rising level of taxation being placed on property. Across Canada, there are cases where property tax levels have become a consideration when determining the location of new residences or commercial structures. In Winnipeg, it has been suggested that many people choose to reside outside the City limits to avoid paying the anticipated high level of taxation.

One group of property owners wishing to challenge current property taxation, and the allocation of the tax burden, is the Manitoba Chapter of the Canadian Condominium Institute. This group believes their members are not receiving equitable treatment from provincial and municipal governments in Manitoba. The group alleges that there is an inequitable relationship between property taxes and services received between condominiums and other forms of residential units. This paper will investigate all aspects of condominium property taxation to determine if they are inequitably high in comparison to other types of residential property in the City of Winnipeg. The intent will be to answer the question: **Is condominium property tax calculated and administered in a fair and equitable manner?**

The evaluation of property tax theory, policy and practice completed in this practicum is supported by a contract with the Manitoba Chapter of the Canadian Condominium Institute. The objective of the project with the Institute is to determine if condominiums are being treated fairly when compared to other types of residential property. One goal of the study for the Institute is to develop fact based arguments to support the contention that the amount of property taxes paid by condominium owners represents unfair treatment. To examine this allegation, the practicum will undertake an investigation of

the application of residential property tax in the Province of Manitoba with reliance upon the City of Winnipeg as a case study.

In achieving the objective, the practicum completes a series of steps to increase the understanding, use and application of property tax. Each succeeding chapter develops upon the previous chapter in the attempt to create a comprehensive understanding of the fairness of condominium property taxation. Chapter One provides the reader with an introduction to property tax, its use and general policy. Included is a review of the growth in condominium home ownership and what this relatively new form of residency has to offer.

Chapter Two examines national and provincial trends in municipal finance to provide an understanding of the role of property taxation. This chapter documents the increasing responsibilities evident in municipal expenditure and provides a better understanding for the increasing pressure for property revenue generation. National, provincial and municipal statistics are reviewed and graphically illustrated to demonstrate the continued importance of property tax as a revenue source. Having examined the level and use of property tax, the Chapter summarizes the future role of property taxation in municipal finances. It also discusses future levels of property tax and potential alternative revenue sources.

The next two chapters examine the equity and fairness of taxing real property. Chapter Three discusses the general theories behind tax fairness and applies them to property tax. This includes review and critical analysis of arguments and positions on property tax expressed by researchers, authors and the general public. In doing so, the Chapter

develops two criteria for examining fairness in property taxation. The methods rely upon property taxation being defined either as a wealth tax or as a benefit tax. These two methods provide a basis for the examination in Chapters Five and Six.

The understanding of property taxation developed in Chapter Three provides the theoretical basis for an evaluation of the methodology used in levying property tax. Included are discussions relating to three components of property tax, including assessed value, portioning, and mill rate. Also included in the Chapter is an examination of Manitoba and Winnipeg experiences in relation to the administration of property tax. Specific attention is focused on several studies that have evaluated the performance and fairness of property tax in Manitoba.

In completing an evaluation of fairness in condominium property tax, Chapter Five relies upon the rules of tax fairness documented in Chapter Three and the methods used to determine property tax described in Chapter Four. In evaluating property tax as both a wealth and a benefit tax Chapter Five examines possible avenues in which condominiums may be receiving inequitable property tax treatment. In doing so the Chapter reviews assessment accuracy by examining the assessment of 278 condominium properties sold in 1996. Fairness of property taxation is further examined through an evaluation of the apportioned servicing costs in comparison to property tax revenues. In completing these evaluations, the fairness of condominium property taxation is assessed.

Chapter Six applies the results of Chapter Five to a cross-examination based upon the theory discussed throughout the practicum. Included is an extensive discussion regarding the definition of property tax as a wealth tax and a benefit tax. Having done so, the

Chapter will also evaluate the fairness of condominium property taxation. The applicability of the results are then used to identify future projects that would serve to enhance both the understanding and appropriateness of property taxation.

1.2 THE IMPORTANCE OF THE PROPERTY TAX

As indicated previously, property taxation plays an important role in the generation of municipal revenues. The significance of property taxation as a source of municipal revenues has two popular interpretations. One belief suggests that continual increases in property taxation have resulted in increased revenues. Another interpretation of the recent increases in property taxation suggests that, although the dollar figure has continued to rise, the percentage of municipal revenues derived from property tax has actually declined (Fisher, 1996; Kitchen, 1992). Despite the differences in these interpretations, it is acknowledged that the increasing reliance on the use of property tax is an issue that needs to be addressed.

The 1996 City of Winnipeg Budget indicated that property tax accounted for 51% of total revenues. Business tax and grants-in-lieu of taxes brought the total to 65%. In the 1992 budget, the ratio was quite similar with property tax accounting for 51% of City of Winnipeg revenues. Although the percentage of the annual budget has remained relatively stable, the dollar amount of property tax revenue increased from \$269 Million to \$346 Million dollars during the same time period. This translates into a revenue increase of approximately 7% per annum for the City of Winnipeg.

As will be discussed in the theory portion of this report, the funds derived from property taxation are used for many services not related to the ownership of property. The most

significant is the use of property taxation to fund education. The use of property taxation to fund education has become widely practiced despite constant questioning from the public, authors, and researchers. In 1997, education accounted for 49% of Manitoba's property tax bills and 49% of Winnipeg's.

Since the benefits of education are received directly or indirectly by all community members and property taxes are the general revenue source, there has been little controversy over paying the associated taxes. The primary concerns relate to the use of property taxation and the differing contribution to educational standards based on the spatial differences in property values. This argument is countered by the suggestion that it is not property taxation that creates the inequity but rather the way in which the revenues are allocated. Under the scope of this study it would be difficult to address the many complex issues associated with the use of property taxation in funding education. The generally accepted belief is that the degree to which property tax is used is not an appropriate, however, governments have refused to fully address this issue (Kitchen, 1992; Ontario Fair Tax Commission, 1993).

The City of Winnipeg and the Province of Manitoba maintain that property tax is an 'ad valorem' tax. Historically, this has meant that property tax can be levied without any direct or visible benefit. Similarly, this position has been used by senior governments to explain the role of other taxes including income tax. The 'ad valorem' argument contends that there is no direct relationship between tax levels and services. The philosophy presented is that governments will spend the revenues to benefit their constituencies.

1.3 EFFECTS OF PROPERTY TAXATION ON URBAN DEVELOPMENT

Although the relationship between taxation and development has yet to be thoroughly understood, taxation has long been acknowledged as a fundamental aspect of land use and development. The relationship between development and property value can be seen in the recent surge in building sales in downtown Winnipeg. A Winnipeg appraiser has suggested that the recent reassessment of the downtown has decreased property values significantly in the area (D. Browaty, personal communication, August 12, 1997). The reduced assessments have translated into a reduction in property taxation. This, in turn, has increased the economic viability of owning and managing property in the area.

The exact effects of property taxation on development and revitalization have not been heavily researched and, therefore, no conclusive positions on the potential relationships have been established. This poses an interesting opportunity for planners. If changes in property taxation levels influence development, it may be possible to use property taxation to guide urban revitalization and development. In Winnipeg, problems of inner city decline and sprawl may be alleviated through property tax policies that place higher levies on property developed at low density, further away from the downtown core.

Although this type of model may have immediate appeal, there are central issues that challenge its application. First, the relationship between property taxation and development is not fully understood. Changes in tax policy may have unexpected repercussions. Second, the majority of municipal residents live in suburban single family homes. Any directive that increases tax in these suburban areas would likely result in controversy evident at the time of election. A third challenge in using property tax to influence revitalization and development centers around the discussion of municipal

finance. The increasing responsibility and financial requirements of municipal governments to provide services and benefits may eventually translate into rising property taxation levels. This may eventually deter all types of property ownership.

Despite these challenges, property taxation has the potential to influence development, revitalization and property ownership. This enables planning to become an increasingly important factor in the spatial development of municipalities. When a property tax system is administered in a way that maximizes equity among property owners, residents are more likely to determine that property taxation is fair. The government's response to property tax equity plays an influential role in the future of urban living and the formation of residential development.

Current research on property tax generally relates to tax reform and its consequences for the municipality (Bird & Slack, 1978; Clark, 1980; Fisher, 1996; Peterson, 1973). Roakes, Barrows and Jacobs (1994) completed an investigation into the potential implementation of 'land value taxation' (LVT) in place of property taxation. The essence of this research was to establish whether tax levied exclusively on the land (LVT) would result in higher levels of use for the land and potentially more compact urban development. LVT offers a theoretical argument that, if implemented, may encourage both higher density development and redevelopment of property.

The use of the LVT theory to encourage higher density and redevelopment of property represents an offspring of traditional property tax theory. One common denominator within this aspect of property taxation is the presumption that it affects land use and development. Roakes et al. (1994) determined that the taxation of land only, did not

influence higher density and redevelopment to a significant degree. As the article suggests, a more lengthy study period with a detailed analysis may demonstrate a different interpretation of LVT.

1.4 ISSUES OF PROPERTY TAXATION OF CONDOMINIUMS

To adequately understand the issues presented in the practicum it is necessary to develop an appreciation for condominiums and the type of home ownership they represent. As a relatively new form of home ownership, condominiums allow people to own their property while sharing the responsibilities of maintaining common facilities and areas. Specifically, condominiums represent a form of shared ownership. Resident's purchase a piece of property and, in doing so, become part owners of the facilities and land. The condominium form of ownership can be used for any residential type of dwelling, but has traditionally been used in apartment and townhouse style developments. More recently there has been a marked increase in the development of bare land condominiums. This development enables people to buy land, and construct their own dwelling, thus allowing for a condominium type ownership of single family housing.

Although not documented, the generally accepted reason for the increasing development of condominiums is a combination of a growing seniors market and changes in social perceptions. Condominiums are meeting people's needs by providing a series of benefits including:

- Allowing people to maintain their equity while not being forced to live in single family housing. Essentially, condominiums are allowing people to live in traditional

rental type properties without the perceived loss of money associated with paying rent;

- Eliminating labour and reducing costs of property maintenance. Condominiums typically share all maintenance requirements including building maintenance, landscaping and snow removal. This reduction in responsibility may have found a market by appealing to seniors and those which desire 'hassle free' housing; and
- Ensuring that the neighbourhood maintains a certain level of upkeep and presentation. Because of the common maintenance, it is difficult for a single resident to adversely affect other residents by not properly maintaining their property.

For these and other benefits, condominium owners are willing to pay common element fees. These fees pay for a variety of services including snow removal, building and grounds maintenance, and capital repairs. In many instances, condominium owners pay fees for services that are traditionally provided by municipal governments or agencies. The rising levels of property taxation discussed previously have many condominium owners questioning the fairness in treatment of condominiums. The Manitoba Chapter of the Canadian Condominium Institute represents condominium owners who have expressed concern over the relationship between property tax levels and services received. Recognizing the positive features of condominium development and the important role property taxation can play in development, an investigation into fairness of condominium property tax is justified.

CHAPTER TWO: UNDERSTANDING MUNICIPAL FINANCE AND THE ROLE OF THE PROPERTY TAX

Property taxation has traditionally provided a significant portion of municipal revenues. To fully comprehend the factors contributing to the dynamics of property taxation, it is necessary to develop a general understanding of municipal finance. The levying of property tax is a direct result of municipal government's need for revenue in order to provide services. The level of municipal service has a direct impact on the revenues required by the municipality. This chapter will examine municipal revenue and expenditure trends over the last 40 years in Canada, Manitoba and Winnipeg.

The investigation provides a thorough explanation of the municipal finance trends and the impact they have on property taxation as a revenue source. In doing so, the chapter examines municipal expenditures in Manitoba and across the country to demonstrate the changes in municipal responsibilities and the associated financial pressures. The impact of the increasing service demands on municipal revenues, with specific attention given to the role of property taxation and the need for municipal levy increases, is intended to provide a basic understanding of the factors influencing property taxation.

2.1 LOCAL GOVERNMENT EXPENDITURE

2.1.1 Local Government Expenditure in Manitoba

Historically, property taxation has been used to fund services that directly provide benefits to property owners as well as to support the general operations of local government. The traditional role of the municipal government was the provision of 'hard' infrastructure services, such as roads and snow removal, and municipalities had

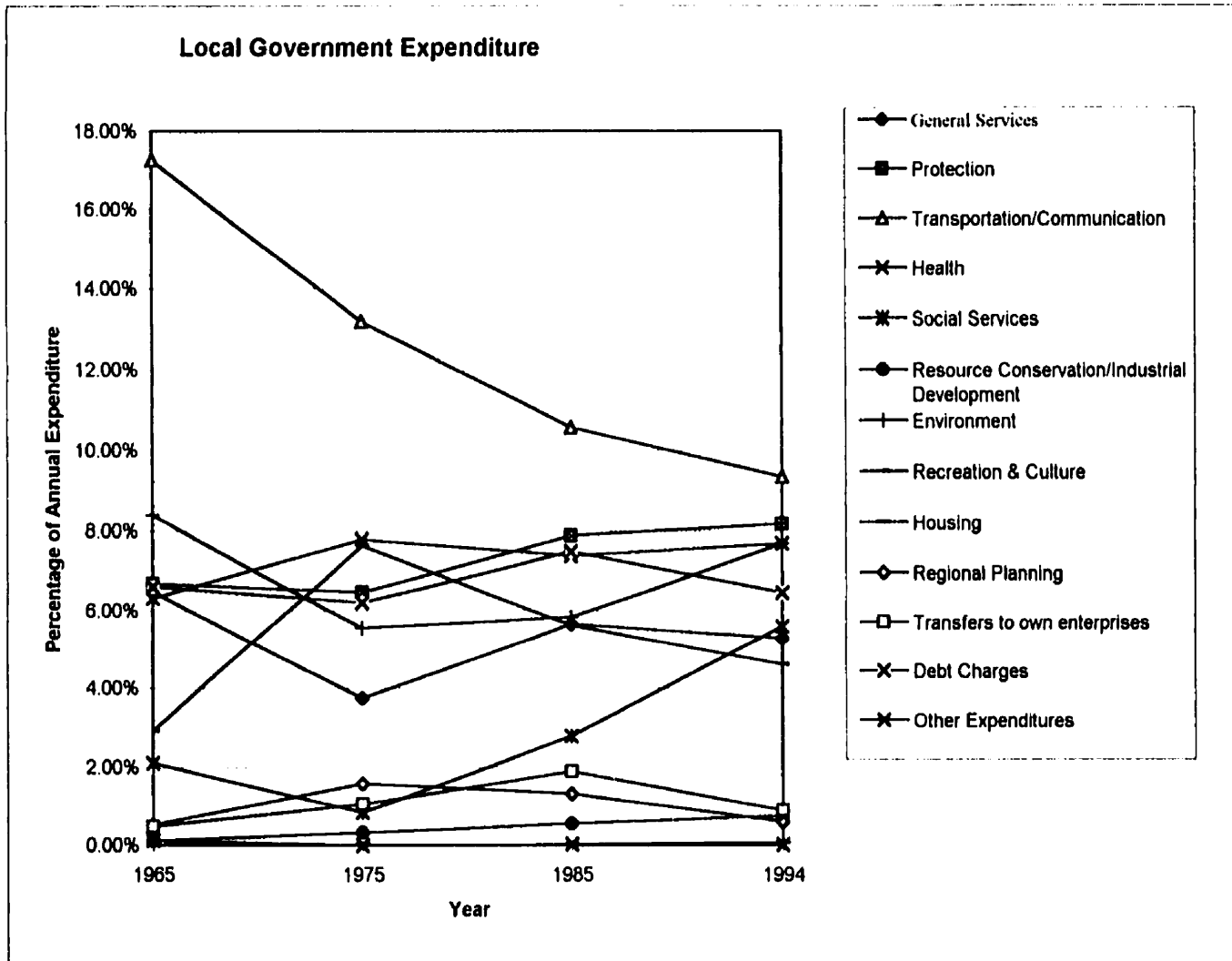
limited involvement in the provision of 'soft' or social services. An examination of the applicability of property taxation often includes an evaluation of the use of property tax revenues within current municipal budgets.

The expanding responsibilities of local government have resulted in discussions about the use of property taxation for the community. The advantages discussed often reflect the concept that local government is better able to represent community interests due to their relationship and understanding of the people. Some of the key disadvantages relate to the financial pressure placed upon local governments. These specific points relate to their role in providing service, their lack of access to adequate resources, their lack of constitutional status and their heavy reliance on property taxation.

The following graph illustrates the trends in local government expenditures in Manitoba. Not included in the graph are the local government expenditures on education, which the chart demonstrates have remained just below the 50% mark until the last ten years when they increased slightly to just above 50%. Education costs were not included in the graph because they are not considered to be a responsibility of local government. Local governments have little power to influence the level of property tax levied to fund education.

The most obvious trend is the decline of transportation/communication as a large source of municipal expenditure. The graph illustrates a decrease from approximately 18% to near 9%. Other notable declines include recreation, culture and regional planning and debt charges.

Figure 2.1: Local Government Expenditure in Manitoba



Source: Statistics Canada, 1991

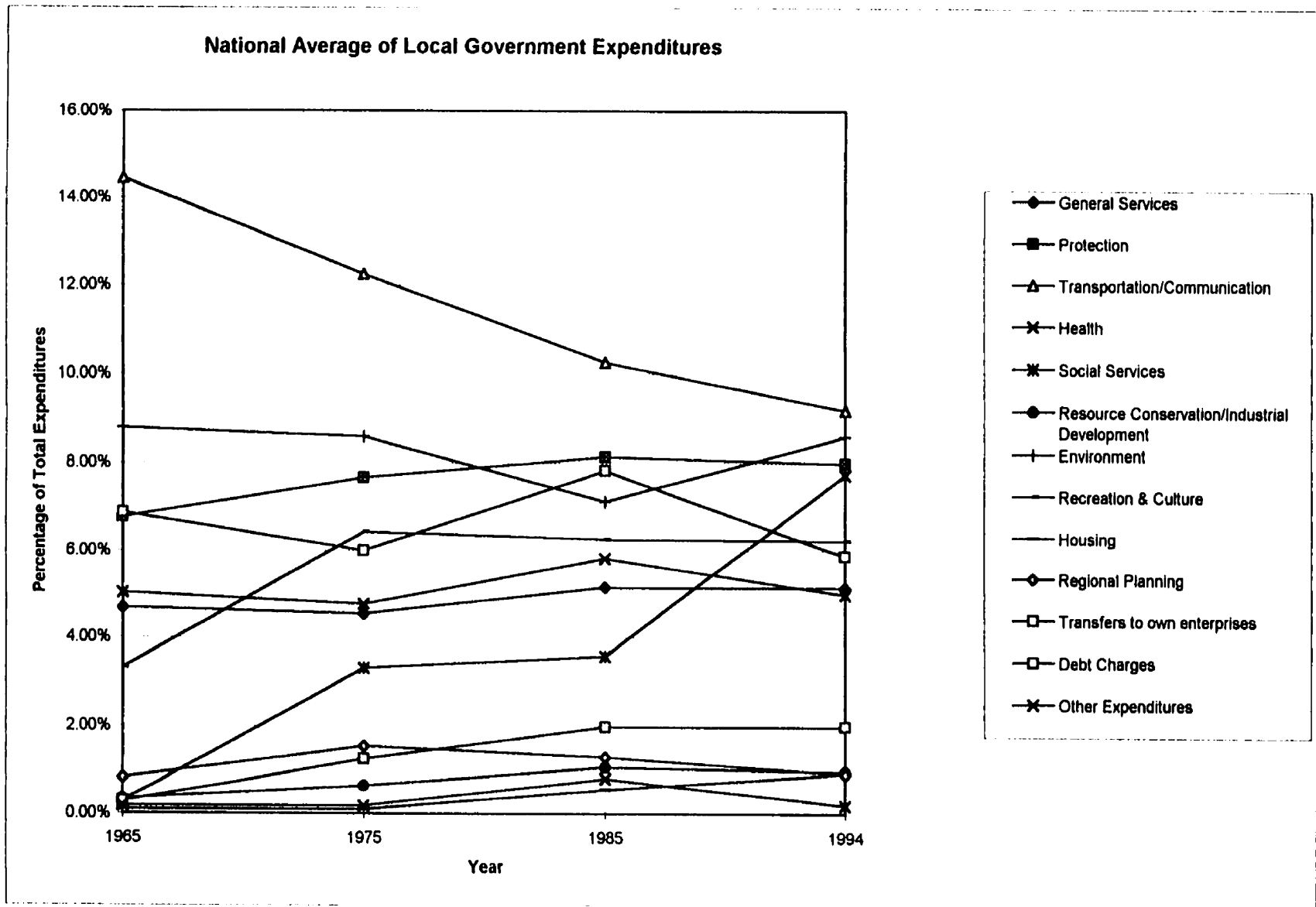
Corresponding increases have occurred in the areas of social services, environmental and, to a limited extent, health protection and conservation/industrial development. Generally, increases in expenditures have occurred where the relationship to property is much less obvious. It is probable that local governments will continue to increase expenditures in service areas that display no immediate benefit to the property owner. This may support the efforts aimed at maintaining the general quality of life. The current inability of local government to generate other sources of revenue suggests that property tax will continue to impact the funding of local government.

2.1.2 National Trends in Local Government Expenditures

The trends in local government expenditures for Manitoba confirm the popular belief that the role of local government is changing. The increase in expenditures for soft services reflect the fact that municipal governments have become more involved in the governance and servicing of the citizens of Manitoba. The change in municipal servicing responsibilities has increased pressure on municipal finance.

As Figure 2.2 indicates, Manitoba's situation is similar to the national trend. Local government expenditures reflect a decrease in the importance of transportation and communication, but show a marked increase in the 'soft' services including environment, health and social services. While the Manitoba pattern of expenditure is very similar to that found across Canada, the national expenditure trends are not as pronounced. One exception is the rapid increase in social service expenditures. From 1985 to 1994, these expenditures have doubled as a percent of local government expenditures. Similar to

Figure 2.2: National Average of Local Government Expenditures



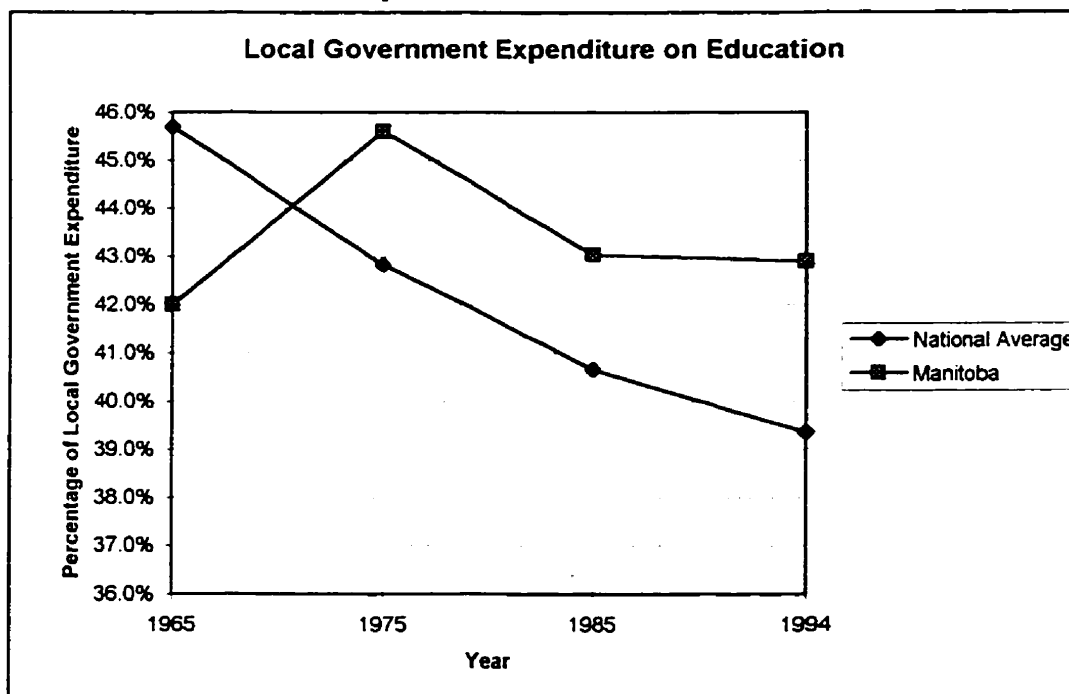
Source: Statistics Canada, 1991

Manitoba, these expenditures reflect the increased pressures being placed upon the traditional sources of revenue in local municipalities.

2.1.3 Expenditure on Education

Since 1965, education has been the single largest expenditure funded through property tax. As the following graph indicates, the percentage of expenditure for education in Manitoba has remained relatively constant over the last ten years. However, on a national level, expenditures have decreased by almost 9 % over the last forty years. With approximately a one and one half percent decrease in the last ten years. There are two possible explanations for this change in municipal spending patterns.

Figure 2.3: Local Government Expenditures on Education - Manitoba & Canada



Source: Statistics Canada, 1996

The first possible explanation is a reduction in education spending. Further examination of local government education expenditures suggests this is not the case. The examination actually

revealed yearly increases in expenditures over the last 20 years within Winnipeg. The second, and more accurate, explanation is a rapid increase in other aspects of municipal finance such as health, protection and social services. An increase in non-educational expenditures has resulted in education being forced to occupy a decreasing percentage of overall municipal expenditures. In addition several provinces, including Ontario, have undertaken restructuring of property taxation for the purpose of addressing the changing resource base and the funding of education.

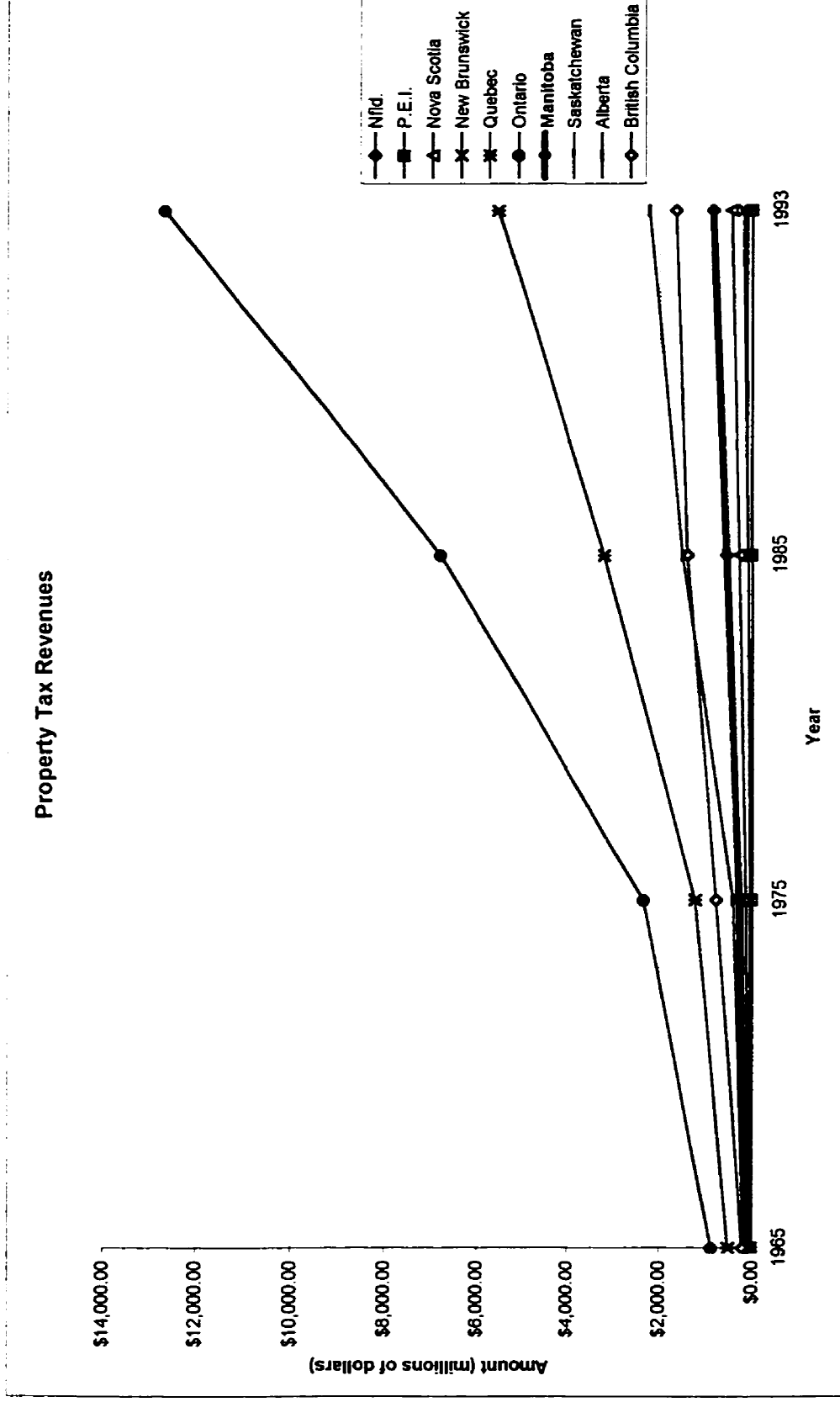
Upon examination, at both the national and the provincial level it has been confirmed that a change in municipal spending patterns has occurred. Specifically, a marked increase is seen in both the amount, and percentage, of municipal expenditures associated with the provision of soft services including social programs, health, protection and environmental. Due to these increasing financial responsibilities, pressure has been placed on municipal revenue sources and, as a result, higher levels of property taxation are being incurred.

2.2 MUNICIPAL REVENUE SOURCES

2.2.1 Review of National Municipal Revenue Sources

The key issues in the property taxation debate include: What the revenues are being used for; and Why these services are being funded out of property tax. The assortment of services currently being offered by local government are funded by three means. They include: transfer payments, property tax, and other sources of revenues including user fees and fines.

Figure 2.4: National Property Tax Revenues



Source: Statistics Canada, 1991

Property taxation has played a significant role in the generation of traditional municipal revenues. During the past twenty years, the amount that property tax has contributed to municipal revenues appears to have increased dramatically. The above chart demonstrates the amount of property tax generated in each province. As the graph illustrates, property taxation revenues have increased dramatically over the last forty years. In Manitoba, the increases have not been as substantial when compared to other provinces. To fully understand the effects of property taxation, further research should be completed that compares property taxation increases to the changes noted in the Gross Domestic Product and inflation.

There are two possible reasons for the differing levels of property tax increases that have occurred in each province. The first, and most obvious, reason is a larger assessment base. Having a large assessment base allows governments to generate more revenue without taxing any one property too heavily. As the chart indicates, the larger and more densely populated provinces reflect the greatest amount of revenue being generated through property tax. In these cases, the higher revenues reflect larger expenditures resulting from a larger population. This type of demographics requires municipal governments to spend more money on the services they provide. The second reason may be that the revenue generated is more reflective of differing levels of taxation.

A more revealing evaluation of property tax would be to examine the amount of property tax levied against similar residential dwellings across Canada. The following table is a comparison of property tax levied on a comparable house in different cities across Canada in 1997. For the purposes of the study, a comparable house is defined as: a three

bedroom bungalow of 1,200 square feet on a 5,500 square foot lot; 10 to 15 years old; one car garage; and a full basement but no recreation room or fireplace (for further details see Appendix A).

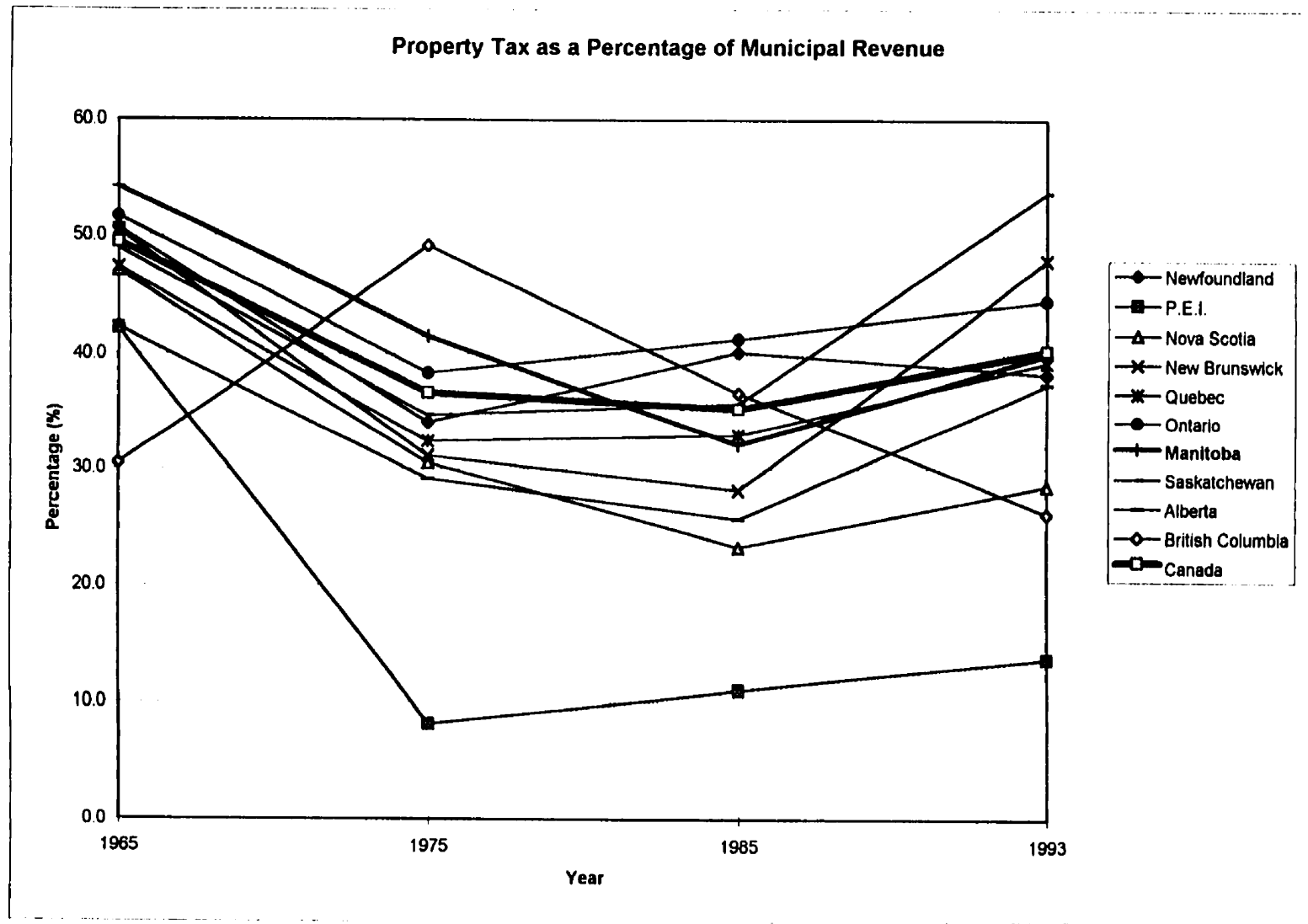
Table 2.1: Property Tax in Canada Major Urban Centres

City	Population	Property Tax Levy				Home Owner Grants or Credits	Net Property Tax Levy	National Rank
		Municipal	School	Other	Total			
Edmonton	636,846	\$778	\$736	0	\$1,514	0	\$1,514	5
Calgary	749,000	\$696	\$944	0	\$1,640	0	\$1,640	7
Red Deer	60,023	\$711	\$776	0	\$1,487	0	\$1,487	4
Medicine Hat	45,892	\$509	\$663	0	\$1,172	0	\$1,172	2
Lethbridge	64,938	\$643	\$649	0	\$1,292	0	\$1,292	3
Vancouver	508,814	\$1,111	\$1,091	\$176	\$2,378	\$470	\$1,908	11
Victoria	74,000	\$1,050	\$740	\$234	\$2,024	\$470	\$1,554	6
Regina	184,330	\$919	\$1,034	\$98	\$2,051	0	\$2,051	13
Saskatoon	198,395	\$751	\$1,058	\$92	\$1,901	0	\$1,901	10
Winnipeg	641,700	\$1,479	\$1,252	0	\$2,731	\$250	\$2,481	16
Montreal	1,030,678	\$2,700	\$290	0	\$2,990	0	\$2,990	17
Toronto	629,129	\$419	\$1,311	\$637	\$2,367	0	\$2,367	15
Halifax	114,455	\$1,582	\$137	\$189	\$1,908	0	\$1,908	12
Saint John	75,000	\$1,738	0	\$1,672	\$3,410	\$1,650	\$1,760	9
Fredericton	47,016	\$1,727	0	\$1,976	\$3,703	\$1,950	\$1,753	8
St. John's	107,133	\$1,100	0	0	\$1,100	0	\$1,100	1
Yellowknife		\$1,330	\$961	0	\$2,291		\$2,291	14

Source: City of Edmonton, Planning and Development Department, November 1997.

As noted in the chart, when considering the taxes applied to a standard single family dwelling, the City of Winnipeg ranked 16th out of 17 in 1997. This study revealed that when ranked nationally, Winnipeg property tax was one of the highest in the country. The City of Montreal was the only city with higher property taxation levels. The property taxation being levied against single family homes is affected by a variety of issues including: services provided, population being served, amount of transfer payment from other levels of government, amount of debt and ability of the local government to generate revenues using alternative means.

Figure 2.2: National Comparison of Property Tax as a Percentage of Municipal Revenues



Source: Statistics Canada, 1991

An increase in property taxation is often associated with increases in other local government revenue sources. Figure 2.2 demonstrates property taxation as a percentage of municipal revenue over the last twenty-eight years. As the graph illustrates, Manitoba's property tax as a percentage of the municipal revenue is similar to the national average. The graph demonstrates an interesting aspect in that there has been a decline in property taxation as a municipal revenue source. This decline, which began before 1965, stabilized around 1985 and, at that time, began to increase in most areas across the nation. Since then, all provinces but one have had property taxation increase as a percentage of their municipal revenue. Based on the findings in this graph, Manitoba and Winnipeg are consistent in their reliance on property taxation as a revenue source when compared to other provinces and governments across Canada.

2.2.2 Review of National Property Tax Levied Against Condominiums

Across Canada, provinces and municipalities have varying power to apply different levels of taxation on distinct property types. The categories of property types include: residential, commercial, industrial, agricultural, civic, and education. The residential categories are the primary focus for the purpose of this project. Most municipalities have subdivided the residential category into two primary groupings: single-family dwelling and apartment/rental units. The Province of Manitoba is one of few provinces that currently treat condominiums as a distinct type of residential unit.

Outside Manitoba, condominiums usually receive the same treatment as a single-family residential unit. Manitoba's current move towards the residential property tax standardization process appears to be making Manitoba more consistent with other

regions across Canada. Property tax standardization in Manitoba is a 10 year program that will see all residential units taxed on 45% of the 'fair market value'. The details and implications of this initiative are discussed in Chapter 4.

Two major factors influence a condominium owner's acceptance of property taxation. The factors are indicated as being the amount of property tax being levied on condominiums and the services being received by condominiums in relation to their taxes.

- The amount of property taxation levied against a condominium influences an owner's acceptance and his/her scrutiny of the benefits received in relation to those taxes. For example, in British Columbia and Alberta, it is unlikely that condominium property taxation is a major source of complaint because these levels are the lowest in Canada (as shown in section 2.2). In urban centres where property taxes are higher, including Winnipeg, property owners may feel inclined to evaluate the benefits and the service levels they are receiving.
- The level of service received may also contribute to the acceptance of property taxation. In Winnipeg, some condominiums do not receive garbage, park maintenance, road maintenance and snow clearing from the City, yet owners pay property taxes as if they did receive such services. The property tax revenues generated from condominium owners by municipal governments are used as an important source of funding. However, condominium owners may not be entitled to the services they are funding. It appears that similar situations exist across the nation. The common variations often occur in the

level of services received by condominiums. For instance, in several urban centres, garbage collection is provided for condominiums.

Upon review, Manitoba has demonstrated consistent treatment of condominiums with regards to the levying of property tax. The current portioning phase-in will create a property tax system that is compatible with practices across Canada.

2.3 CHANGING DIRECTION OF LOCAL GOVERNMENT FINANCE

The changing direction of local government expenditure has placed financial pressure on traditional revenue sources. As indicated previously, the percentage of local government revenues derived from property tax decreased from 1965 to 1985. Since that time, there has been a steady increase in this percentage in most areas across the nation. Although governments are utilizing property tax to generate revenue sources, there are many local governments who have responded to the increasing financial requirements by exploring alternative methods of generating revenues.

Manitoba and Winnipeg's response to their changing roles indicate that new revenue sources are being utilized including user fees, private public partnerships and increased transfer payments. However, an increased dependency on property tax continues to occur. For example, in Winnipeg property taxes are expected to increase 4% - 5% between 1997 and 1998. Given that in 1997, Winnipeg was ranked the second most highly taxed major urban centre with regards to property, further increases in this type of revenue source is likely to influence taxpayers' acceptance of the generation of these funds.

CHAPTER THREE: AN OVERVIEW OF PROPERTY TAXATION THEORY

The changing urban structure and its effect on municipal finances has been an issue for many years (Bahl, 1979; Bird and Slack, 1978). Municipal government traditionally has provided services directly associated with real property such as roads, sewers, fire and police protection, and garbage collection. As indicated previously, the changing role in municipal finance has required a new focus with regards to the generation of necessary funds. Municipal governments are responding to increasing financial pressures through an increased use of property tax. The public's awareness and concern regarding the level of taxation and services has made property tax one of the most controversial methods of taxation (Bird, 1995; Kitchen, 1992; Ontario Fair Tax Commission, 1993; Welch, 1980).

It is a commonly held public belief that the paying of property taxes should be reflected in services received (Ontario Fair Tax Commission, 1993; Welch, 1980). In contrast, government has typically considered property taxation to be an 'ad valorem' tax or a tax based on wealth regardless of services provided. As a result of the different fundamental beliefs that the public and the government have regarding property taxes, it can be understood why such scrutiny occurs regarding this issue. A discussion of these issues in relation to property taxation and the role property tax revenues have in municipal finance will form a key part of this practicum.

3.1 TAXED OUT OF NECESSITY

To best understand the reason/necessity for property taxation within the municipal framework there must be an understanding of municipal budgets. The jurisdiction and

capacity to levy property taxes has been given to each municipality by its respective provincial government. Originally, property taxation was intended to fund the 'hard' services, such as roads and water (Fisher, 1996). Gradually, the responsibilities of municipal governments have increased to include libraries, parks and community programs. These are referred to as 'soft' services (Bird & Slack, 1993). One of the most important additions to the role of municipal government has been the inclusion of delivery and financing responsibility for equity and social programs. Further, in the case of health and social assistance, the responsibility for social programs has often been transferred to municipal governments without providing a significant change in revenue.

The expanding role and changing responsibilities of municipal governments has resulted in the need to increase municipal revenues. The public's concern over the high level of the property tax has forced municipalities to search for other sources of revenue. One of the avenues open to municipal government has been the introduction of user fees for local government services. There are two main reasons for this change.

First, these additional funds can be directed to general revenues that may help to alleviate the need for further increases in property tax (Clark, 1980; Ontario Fair Tax Commission, 1993). The second factor is the ability to assign the cost of the service to the actual user. A negative aspect of user fees is that they do not take into account the user's ability to pay. This fundamental principle of equity again raises questions as to the application of user fees as a revenue source.

The rationale for implementing user fees is varied. Where user fees have been implemented, two contrasting arguments appear to be emerging. The first argument is

that user fees allocate the financial responsibility to the 'user'. This creates a fairer and more efficient process for raising revenues and managing municipal services. The opposing arguments suggest this has created an inequitable treatment of people based upon their ability to pay the fees for services. The move of municipal government invoking fees for services may indicate an evolution from a community focus to a more capitalist approach involving individual interests.

Current budgetary trends indicate that property tax revenues are progressing towards expenses and services associated with people, versus those associated with property (Strick, 1992). Under the current conditions, municipal governments will eventually need to consider what balance of property taxes and user fees represents an acceptable level of social responsibility and financial necessity. This is particularly important if the capacity of municipal government to create alternative sources of revenue is restructured or circumscribed by provincial governments.

The increased responsibilities of municipal government can be attributed to the increasing expenditures associated with the increasing responsibility for the delivery of services. This changing role of municipal government has increased the reliance upon property tax to fund new services. Without the introduction of additional revenue sources for municipalities, the pressures placed on property taxation to support the need for revenue will continue to escalate.

3.2 THEORIES OF EQUITY AND THEIR ARGUMENTS

Taxes and controversy go hand in hand, and property tax is no exception. The current rise in property taxation levels has renewed old arguments and established new ones. The

relationship between equity and property taxation is usually not perceived as being balanced. Equity is invariably a central issue during discussions of property taxation. There has been significant controversy over the fairness of property taxation. In discussion of tax fairness there are two general definitions of taxes including, wealth and benefit. A wealth tax generates revenue based upon an indicator of wealth that, in this case, is real property. The second method of evaluating tax fairness is to rely upon a cost benefit analysis. Such analysis compares the level of services/benefits with the level of taxation. The following two sections will examine equity under these methods.

3.2.1 The Property Tax as a Wealth Tax

When defining fairness of a wealth tax the primary focus is to ensure the tax levels reflect the person's ability to pay. This has been suggested to be a fundamental weakness in property taxation (Harris, 1982; Report of the Manitoba Assessment Review Committee, 1982; Ontario Fair Tax Commission, 1993). This issue is a key factor in the debate over equity and it is central to the argument that tax is regressive (Clark, 1980; Break, 1979; Kitchen, 1992). A tax is defined as regressive when tax levels are not reflective of one's ability to pay. The literature generally argues that property taxation is a regressive tax and, therefore, is an undesirable method of generating revenue (Clark, 1980; Break, 1979; Kitchen, 1992).

One of the fundamental arguments against property taxation relates to the fact that it meets the criteria for a regressive tax. Kitchen states that a regressive tax is "one that consumes a larger portion of lower incomes and a smaller portion of larger incomes" (1992, p. 22). The Ontario Fair Tax Commission (1993) suggested property taxation was regressive because lower income property owners inevitably paid a higher proportion of

their income. The Commission's argument concentrated on the fact that tax was being levied on a property, with little assurance that the owner had the ability to pay. This argument is often used when comparing property tax to other types of tax, such as income tax. The literature suggests that while the discussions of the regressive nature of property taxation remain popular, they have had limited influence on changing its use for municipal revenues.

The discussions surrounding the regressive nature of property taxation has been supported by the work of several researchers (Kitchen, 1992; Netzer, 1973). George Peterson (1973) emphasized the problem of regressive taxes by stating that property tax "involves the elderly who may be on a fixed income, and whose property tax could, and most likely will increase. Often, the result is a larger portion of their income being spent on property taxes, to the point where it may force the individual to move out of their dwelling" (p. 57). In his article entitled "Virtues of Property Tax" (1982), Jack Harris suggests that property taxation discourages home improvement. This reasoning proposes that the increased value of a home as a result of any improvements/renovations will often become reflected in higher property taxation levels in the future. This, in turn, makes the property more expensive to maintain. This is a key argument in the Land Value Taxation discussed earlier; essentially property taxation is used to accommodate and even encourage higher density use of land.

The City of Winnipeg has introduced a new home buyer and home renovation tax reduction programs that appear to respond to this concept. The purpose of the programs is "to encourage and assist" both construction and renovation (please see Appendix B for the respective by-laws). It is recognized that these improvements are not necessarily

reflective of more wealth but rather of an attempt to maintain or improve the quality of a residence.

Another aspect of regressiveness is the debate surrounding the philosophy of 'ad valorem'. The term 'ad valorem' is used to suggest that property is associated with, and is used as a means to determine, wealth (Bird & Slack, 1978; Fisher, 1996). The literature indicates there is a problem when claiming that property is a sign of wealth (Kitchen, 1992; Ontario Fair Tax Commission, 1993; Peterson, 1973). In investigating this point, the Ontario Fair Tax Commission made reference to Ernst and Young's "The Wealth Report" (1990), which studied the relationship between household income and the value of the residential unit. The results revealed that the higher the household income, the lower the percentage of wealth related to the residential unit. This conclusion provides strong support for the argument that property value is not an appropriate indicator of overall wealth.

The applicability of using property to determine or estimate household wealth can also be argued from another basis. Michael Bell and John Bowman (1990) suggest that the value of the property can only truly be determined at the point when the property is sold. Any increases in assessments represent a tax on unrealized theoretical profit. In addition, if property is taxed as an indicator of wealth, then there should be an allowance for costs associated with the property. The most obvious example relates to the taxing of two identical properties where one is mortgaged and one is fully owned. How can it be suggested that the two properties indicate the same amount of wealth? These arguments provide insight into the controversial question: should housing and/or property be seen as

a right, a necessity or a form of wealth? In the report, the authors suggest that property does not always indicate wealth or one's ability to pay.

3.2.2 The Property Tax as a Benefit Tax

The ability to pay is only one aspect by which the equity of property taxation can be evaluated. A second approach in determining the equity of property taxation is to use cost-benefit analysis (Bird, 1995; Zodrow, 1983). This method establishes that the level of taxation must be reflected in the services/benefits received. When this approach is used, municipalities traditionally respond by claiming that property taxation is an 'ad valorem' tax and that taxation is not related to level of services/benefits. The 'ad valorem' system suggests that the value and the cost of services available to the property are included in the assessed value. Although this is a generally accepted argument, it does not account for varying property tax treatment of differing types of property. This issue remains controversial and will be discussed further.

Benefit analysis attempts to explain the relationship between the level of tax paid and the level of service provided. This debate is based on the general belief that taxes are expected to redistribute wealth by establishing and maintaining a minimally acceptable standard of living (Break, 1979; Smith, 1993; Welch, 1980). On the other hand, there appears to be a significant portion of the public that has expressed a desire for tax levels to reflect benefits received. This concept of cost and benefit is the basis of a popular, yet controversial, research model known as the Tiebout Hypothesis.

The Tiebout Hypothesis suggests that competition between municipalities maintains lower taxes. In his hypothesis, Tiebout argues a municipality that demands high taxes for

services will eventually lose residents and businesses to neighbouring municipalities that provides a more favourable balance between costs and benefits. Through this constant state of competition it is believed municipalities will be forced to operate at an efficient level and to provide services reflecting the desires of the community. This model is also dependent on other assumptions including that: people are highly mobile; neighbouring municipalities are present; and the public is aware of all the possible services. These assumptions highlight the weakness in this hypothesis. (Zodrow, 1983).

The assumption that all citizens are highly mobile is not applicable in all circumstances. It is well documented that most citizens are not highly mobile (Ontario Fair Tax Commission, 1993, Roakes et al., 1994; Zodrow, 1983). The effects of income segregation associated with urban and suburban development have also been well documented.

Similarly, the availability of neighbouring municipalities is not necessarily applicable. For example, there are no other municipalities in the vicinity of Winnipeg that provide the same level of services/benefits to its residents. The City of Winnipeg has been affected by the use of its services by the residents of other neighbouring municipalities. Using Tiebout's reasoning, an argument could be made that the method of financial management and the increasing costs within the City of Winnipeg has been a result of the lack of competition being provided by other municipalities.

Tiebout also assumes that individuals are aware of all of the possible services available to them in the community. Tiebout believes that individuals will seek to obtain more benefits and services if their wants and needs have not been met. One result of this

imbalance between the costs dispensed and the benefits received is a form of tax flight rather than a conscious decision to obtain more benefits/resources. Zodrow (1983) supports Tiebout's belief that once people realize that their property taxes are not reflective of the benefits received they may seek new locations.

The overall result has been that the central municipality is left with a higher proportion of lower income residents who are more dependent upon the municipal infrastructure and the services provided. The question arising out of this pattern: What are the costs of social equity? Although Tiebout's hypothesis provides potential indications for the future, it does not anticipate the development of this type of spacial inequity or solutions to such a problem.

3.2.3 Summary

Despite the negative aspects of property taxation, some researchers still accept it as a feasible form of generating necessary funds. Discussions surrounding the effectiveness of property taxation usually involve the theory of equity and wealth tax. If real property is to be viewed as a form of wealth then there appears to be little reason to question the fairness of property taxation (Kitchen, 1992). The acceptance of property taxation as a wealth tax relies upon the public's understanding of several key factors. The factors include: that property taxation meets a financial requirement of the municipal government; that it should be seen as a tax calculated according to the value of the property; and, that property taxation does not necessarily result in the direct delivery of services from the municipality to the property. Based on common public concerns, it appears as if either the public does not accept or does not understand the key factors discussed above.

3.3 MANITOBA'S EXPERIENCE WITH PROPERTY TAXATION

Across Canada there appears to be increasing vocal resistance toward property taxation. As discussed previously, in a 1997 City of Edmonton study, Winnipeg ranked second highest in Canada in regards to levels of property taxation. Only Montreal was found to have higher property tax levels.

The high taxes associated with residing in Winnipeg have resulted in much opposition and controversy. The first major issue that focused on levels of property taxation occurred in the late 1980's with the Headingley secession. This was followed in 1995 by the St. Germain/Vermette controversy and referendum.

3.3.1 Headingley

The Headingley situation was the result of the Headingley resident's displeasure towards tax policies that they believed were unfair. After joining the City of Winnipeg in 1972, Headingley had its rural agricultural tax rates removed and property was then taxed at City of Winnipeg levels. This represented a major tax increase to the residents and property owners in Headingley.

In addition, the 1987-89 reassessments and changes in portioning resulted in further increases in their property taxation, leading to further displeasure towards the City of Winnipeg assessment department. Many residents signed a petition expressing their concerns. This group of residents was the leading force in the fight against the property tax policies and later became known as the Headingley Taxpayers Association (Province of Manitoba, 1989). The basis of the controversy was that while Headingley area

residents were taxed at the same rate as the rest of Winnipeg, they received fewer services.

To address the residents' concerns, the Government of Manitoba's Department of Urban Affairs sponsored an investigation and information gathering report to be used by both residents and government in discussions and decision making with respect to the future of the Headingley community. The consultant study team was expected to examine the following three options:

- Option 1. To establish a separate rural municipality of Headingley
- Option 2. To amalgamate with an adjacent municipality
- Option 3. To remain within the jurisdiction of the City of Winnipeg

The purpose of the study was to provide information and not to make recommendations.

Summary of the Report

The study emphasized an approach of "consultation, multi-disciplinary evaluation and comprehensive data analysis. (p. 4)" A large component of the study was an evaluation of the taxes paid by Headingley residents and the value of the services received. To determine the costs attributed to providing municipal services for the Headingley area, an examination of the services and the budget of the City of Winnipeg was performed.

The next step in the process was to develop a per capita cost for each service the City provided. The study team multiplied the per capita costs by the Headingley population to derive a cost per service apportioned to the Headingley area. The total costs were

compared to the property tax revenue generated from Headingley property owners. This comparison revealed that the City of Winnipeg received revenues at a rate almost double the estimated service cost.

With a rate of almost two times the estimated cost, it appears that the Headingley residents' belief in an unfair tax policy was justified. Although not documented, it has been generally accepted that the combination of public controversy and unfair levels of property tax were the main contributing factors in the Province's decision to approve the Headingley secession from the City of Winnipeg.

3.3.2 St. Germain/Vermette

In 1995, the Province and the City of Winnipeg once again faced residents over concerns relating to levels of property taxation and associated levels of service. Similar to Headingley, St. Germain/Vermette is a semi-rural area on the fringe of Winnipeg. Although part of Winnipeg, this area has experienced a lower level of service than other Winnipeg residents and property owners.

In response to residents' concerns, the Department of Urban Affairs commissioned a study to evaluate current conditions and examine alternatives. The St. Germain/Vermette study examined three alternative arrangements for municipal governance and taxation. The three options examined were:

Option 1. To become an independent rural municipality.

This option involved examining secession from the City of Winnipeg and represented a situation similar to Headingley. This

option was evaluated against the costs necessary to maintain existing service levels and the costs of more traditional rural municipality servicing.

Option 2. Join the existing Rural Municipality of Richot.

This option examined the costs and benefits of seceding from Winnipeg and in joining the existing Rural Municipality of Richot.

Option 3. Remain in the City of Winnipeg.

This option evaluated maintaining the current situations and investigated any possible tax concessions. This included an analysis of three potential ways to provide any concessions.

Summary of the Report

The consultant team used a combination of service/cost analysis to examine each of the potential options. The City of Winnipeg provided the 1996 operating costs apportioned to the St. Germain/Vermette area. In each option, these apportioned costs were compared to the expected costs and the service levels under the three alternative taxation options. The report revealed that under the options, an amalgamation with the Rural Municipality of Richot presented the greatest tax saving to St. Germaine/Vermette residents. Such an amalgamation also represented the lowest level of servicing.

For this practicum, the most applicable component of the consultant's report was the analysis of the issues relating to St. Germaine/Vermette remaining in the City of Winnipeg. The financial analysis revealed that the City of Winnipeg's apportioned costs

to services in the area totaled \$1,273,224, which was more than the \$1,008,636 generated by area property tax levies. The City of Winnipeg, the Province of Manitoba and most residents in the City did not wish any further erosion of the City as a result of secession. As such, the City of Winnipeg and the Province of Manitoba needed to find a manner with which to appease the angry residents while keeping St. Germaine/Vermette in Winnipeg. The report of the Executive Policy Committee (EPC) for the City of Winnipeg proposed a solution on November 13, 1996 [files EL-21Vol.13 & FE (1997) (Vol. 1)] (Please see Appendix D). EPC recommended:

The Council approve an annual grant of \$250 to each owner of Residential 1 residence in Winnipeg does not have access to water and sewer service.

In its decision, the EPC suggested that the “absence of water/sewer could be used as an identifier in order to select qualifying properties through the computerized tax role.” (Executive Policy Committee, 1997) The reasoning behind the tax reduction is not completely understood. One aspect of the EPC report reiterates support for the ad valorem property tax system while in the next paragraph the report suggests that “taxpayers in the semi-rural areas within the Winnipeg boundaries do not have the same conveniences as other tax payers.” (EPC, 1997) Council’s decision to provide St. Germaine/Vermette property owners with a tax reduction grant again suggests the City of Winnipeg acknowledges inconveniences and lack of services as unfair tax policies.

3.4 FAIRNESS IN THE PROPERTY TAX: CURRENT DIRECTIONS

The contrasting interpretation of property taxation as a wealth or benefit tax challenges the identification of effective criteria for determining fairness. In his writings about Adam Smith, a well-known analyst of tax systems, Break (1979) suggests there are

several elementary conditions to which a tax must adhere if it is going to be considered fair. Two conditions specifically relevant to property tax are:

- taxes must be easy to understand and easy to administer; and
- that any benefits of the tax revenues must be equally accessible.

Those researchers developing concepts on tax fairness have revisited the traditional arguments and have found that many are still current. The 1993 Ontario Fair Tax Commission evaluated fairness of taxation based on two principles: one's ability to pay and the benefits received. The Commission sponsored several studies that demonstrated that property taxation was not reflective of either of these criteria and, therefore, cannot be considered a fair tax.

In addition to studying property taxation fairness through the use of established principles or conditions, researchers also evaluate it using benefit analysis. Under this concept, the assumption is made that property taxation provides a direct and visible benefit to property owners.

As recently as 1997, Paul Hobson suggested property tax could be viewed as a benefit tax. One of the key aspects in Hobson's argument was that many of the municipal services being provided could also be delivered, if not administered, by the private sector. Most of the services he referred to were the hard services such as sewer, water, roads, hydro, garbage etc. Many municipalities across Canada have begun to adopt user fees for these services. These fees attempt to increase consumer awareness while allocating costs in an equitable manner. For 25 years, Manitoba has seen the adoption of user fees for

water and sewer services. Several municipalities have also begun to administer user fee systems for garbage collection.

The municipal transition to user pay systems provides an opportunity to expand upon the benefit concept of property taxation. In most circumstances, municipal governments have had to approach their respective provincial governments for the authority to adopt a user pay system. The City of Winnipeg adopted this type of system for water and sewage as a means of recovering operating costs associated with these services. In the past, these types of services were funded through revenue derived from property tax. However, increasing responsibilities of local government have meant that municipalities are often responsible for services that could not operate on a user fee basis. Such services are matters of equity and include health, social assistance, recreation and culture.

There are two obvious viewpoints in any evaluation of user fees. The first view establishes that user fees transfer the cost of the service directly to the user and can be classified as a benefit tax. This tax is considered to be fair according to the definitions discussed previously. Winnipeg has begun to adopt user fees for recreational facilities and libraries. Outside Winnipeg, the majority of municipal governments have also adopted user fees for certain services. This method forces the cost of the services upon those individuals who choose to use the facilities.

The opposing argument to user fees suggests that by implementing user fees there is no common equity. This position argues that government has a responsibility to provide services and public resources to all its citizens. Obviously, under a user pay system there is limited or no opportunity for an equitable distribution of resources. A review of the

literature on the role of user fees suggests that they can have both a positive and a negative influence on the community. The only agreed upon point is that the use of this type of revenue generation will likely increase.

Municipal finance has traditionally had the role of providing services that directly affect people. The Ontario Fair Tax Commission investigation noted that the most frequent complaints were about property tax rather than senior governments' sales tax or income tax. Harry Kitchen (1992) suggests that property taxation receives so much attention because of the direct effect municipal finance has on taxpayers and residents of the community. Hobson & St. Hilaire (1997) has expanded on this concept to suggest a perceived connection between property tax and services received. It is the direct effect of municipal finance and this perception that often results in voiced concerns from many in the community.

The relationship between property taxation and municipal services is an issue that governments have been forced to accept and to address. Their challenge has been to develop a system that provides for both fairness in administration and fairness in received benefits. The Tiebout Hypothesis suggests taxes should be evaluated on a benefit basis regardless of the government's tax policy.

With this in mind, there is one element of tax fairness on which all parties appear to agree. For taxes to be considered fair any benefits derived from the expenditure of those tax revenues must be accessible to all. The question then arises: do condominium owners have access to the same benefits and governments services when compared to other forms of housing?

As seen in the many theories and principles about property taxation, the issues surrounding tax fairness are not easily resolved. The City of Winnipeg and the Province of Manitoba maintain a strict position that property tax is not a benefit tax. However, some of their actions appear to contradict their stated views.

The Province has allowed municipalities under its direct control to invoke user fees for services traditionally funded through property taxation. A specific example relates to the current practice of sewer and water billing previously funded by general municipal revenues. In Winnipeg, water and sewer billing has occurred on a cost recovery basis since 1974. Other examples include user fee system for garbage collection implemented by Portage La Prairie. Utilization of user fee systems are controlled by The Municipal Act (1996) and The City of Winnipeg Act (1989). Consider that in Portage, garbage collection is established as a benefit/service and is charged as such. However, in any neighbouring municipality garbage collection is not considered a direct benefit, and is funded through general tax revenues. This creates a contradictory situation in which two municipalities, governed by the same body, have implemented different tax policies.

Similar inconsistencies have occurred under the administration of the City of Winnipeg where actions have suggested that there is definitely a relationship between services and municipal revenues. Recently, Winnipeg augmented its revenue base by applying/increasing user fees for recreation, information, and hard services. How can the City and the Province maintain and justify a policy that property tax has no correlation to benefits, yet, at the same time invoke a new fee system where they attempt to allocate the costs of the service directly to the user?

The classification of property tax as either a benefit or a wealth tax plays an important role when evaluating fairness. Each category reflects a different view of taxation. As indicated previously, citizens across the nation have generally viewed property tax as a benefit tax while governments have maintained an 'ad valorem' definition. In Manitoba there appears to be a basis for defining property tax by either method.

The dynamic and controversial history of property tax in Manitoba and Winnipeg appears to provide support for the C.C.I.'s concerns over fairness of the property tax system. Based on the review of theory and Manitoba history it is possible to evaluate fairness in property taxation using the recognized rules of tax fairness. The first identifies property tax as a wealth tax and therefore does not consider level of service or benefits received. The second method is to evaluate property tax as a benefit tax. Evaluation of the fairness in either of these definitions requires an examination of equity.

As a wealth tax, equity and fairness are two fundamental aspects are ability to pay and one's access to services. As a benefit tax, fairness is dependent upon property taxation being levied in amounts that reflect the varying levels of benefits received. To achieve this evaluation, Chapter Four will provide a detailed description of the mechanics of levying property tax. The information contained in Chapter Four will form the basis of Chapter Five's evaluation of condominium property tax and Chapter Six's discussion of evaluation of tax fairness.

CHAPTER FOUR: THE MECHANICS OF LEVYING THE PROPERTY TAX

4.1 ADMINISTERING PROPERTY TAXATION

The controversial nature of property taxation has often resulted in governments searching for alternative revenue sources. The British North America Act gave provinces the sole responsibility for municipal government. In turn, provincial governments delegate power to municipal governments for raising revenue by prescribed means. In Manitoba, there are two sets of rules governing municipal property taxation. The City of Winnipeg Act (1989), allocates both taxation and assessment authority to the City. The remaining municipalities are governed by both the Municipal Act (1996) and the Municipal Assessment Act (1990). In both instances, the Acts guide the levying of property taxation and follow a basic formula for determining the amount of tax. The formula is expressed as:

$$\text{Property Tax} = \text{Portioned Assessed Value} \times \text{Mill Rate}$$

4.2 ASSESSMENT, PORTIONING AND MILL RATES

For the purpose of determining what amount of tax should be levied against a property owner, the government completes an assessment estimating the value of all real property. In Manitoba, the assessment is completed at market value. This means that the assessed value should be equivalent to what the property would sell for on the market. The portioned value is the assessed value of the property multiplied by a percentage portion. Neither the Province nor Winnipeg provides a clear reason for portioning. The generally accepted reason for portioning includes a combination of what is most acceptable to the voting public and a theoretical review of the property owner's ability to pay. The

municipal budget needs are then compared to the total assessed property to determine a mill rate. The mill rate represents the amount of tax to be levied per \$1,000 of portioned assessed value. This method for calculating property tax is used throughout the world with varying portioning, assessment and mill rate values.

4.3 ASSESSMENT

4.3.1 Assessment Theory and Experiences

In Manitoba and Winnipeg, the assessed values of condominiums and other forms of residential property are at market value. Market value assessments are adjusted annually to reflect changes in the market. To ensure accurate assessments occur in all areas, a general assessment occurs every three years. Multipliers representing market value factors are used to adjust the replacement cost value and develop assessment values that reflect current market values. This method uses residential sales, over a period of 24 months, to determine the value and factors affecting the value, such as, location, size, quality and age.

Computers and technology have simplified a very complex and lengthy process. Traditionally, market comparisons took a significant amount of time, and energy, to complete. The specific methods used to establish market values are examined later in this paper. There are three general approaches to value: the income, the direct comparison, and the replacement cost. Each method has its strengths, weaknesses, and degree of accuracy.

Although similar, the assessment process and the appraisal process differ in one key aspect. Appraisals are performed to determine a property's maximum value, also referred

to as the 'highest and best use'. However, assessments do not attempt to estimate the optimum use of a property. The value is only based on current conditions. This aspect becomes important when attempting to determine the market value of a property and it is particularly important when assessing the value of commercial and non-residential property.

Income Approach:

This method determines property and building value according to its ability to generate income. The concept is represented by the formula: $\text{Value} = \text{Net Income} \div \text{Capitalization Rate}$. The net income of a property is the rental income after all operating costs have been paid. The capitalization rate refers to the market's interpretation of an acceptable return on the property. Therefore, the value approach is most applicable to rental or lease properties. This approach may also be used when similar types of properties are assessed differently due to the varying types of tenure.

Comparison Approach:

This method relies on market value sales to determine the property value. By comparing sales of similar types of buildings/properties it is possible to assign a value to that property. Despite the accepted accuracy of this type of approach, market sales can be very subjective and it becomes very easy to argue the effects of minor differences. The development in assessment techniques has resulted in reliance upon computer application of market comparisons and the use of specific property multipliers. This method of mass assessment has proven to be accurate

and has allowed for more frequent assessments. These noted benefits have resulted in the increased use of this method in many municipalities and governments.

Cost Approach:

This method relies on the estimated cost of rebuilding a similar building/improvements on a similar piece of property. This has been the historic approach used in assessment departments across the country. However, it has been acknowledged that a property's value is not necessarily reflective of its cost to build. To accommodate this, both assessment and appraisal procedures use multipliers and depreciation factors to calculate the value of a property and buildings. Presently, this approach is only applicable to recently built property and buildings.

The City of Winnipeg and the Province of Manitoba have begun to use a mass assessment system based upon the comparison approach. This new system has only been adopted for residential owner occupied dwellings. Apartment buildings and rental complexes are assessed using the income approach (K. Graham, personal communication, August 1997). Rented commercial properties are also assessed using the income approach because of the lack of information on sales comparisons by which to determine a more accurate value. The City of Winnipeg claims its assessments are accurate, however, historical court decisions and municipal board appearances examined in the following section question this contention.

4.3.2 Brief History of Property Assessment in Manitoba and the City of Winnipeg

As discussed previously, two main determinants affect property taxation levies: the property assessment itself and the portioning of property assessment. Traditionally, both the City of Winnipeg and the Province of Manitoba have experienced significant difficulty in achieving timely and accurate assessments (Manitoba Assessment Review Committee, 1979; Scurfield, 1997). The troubles have been well documented by several reports and in a large number of court decisions. This quest for a fair property assessment has created both political and public controversy.

In Manitoba, assessed value is defined as market value. Most of the controversy and arguments surrounding assessment values centres on fairness. The use of a market value approach was intended to resolve many of the complaints about unequal tax burden being placed on property. The following section documents the transition to current market value assessments, and the accuracy of the 1997 assessments.

In 1958, the first general assessment occurred in the City of Winnipeg. This assessment was based on the cost approach. This approach aimed for real property to be valued according to the cost of building that same structure at a similar site. Simply stated, property was assessed according to how much it would cost to rebuild. This method of assessment created several problems, the most prominent being the level of subjectivity when determining the depreciation in relation to age and obsolescence. Often, buildings cannot be built the same way nor do they require the same building cost. Similarly, the age of a building does not accurately reflect the inefficiencies or the added costs that would be incurred. A third point relates to the values of some styles of buildings. These

values may increase with age, while other styles may result in a rapid decrease. The subjectivity of the historical assessments using this method often resulted in vast inequities. These assessments were often challenged and overturned by the Municipal Board and the Courts.

The first and most noted inquiry into the assessment system began in 1979. Former Premier Walter Weir chaired the Manitoba Assessment Review Committee whose report was officially entitled “A Fair Way to Share” but also came to be known as the “Weir Report.” The report provided several significant recommendations including:

- Transition to full market value represented by the use of sales data from the previous year. Assessments should be completed every three years. In achieving market value assessment, the ‘principle of comparability’ must be maintained.
- Classification of property into categories of: Farm, Residential, Golf Courses and Curling Club, Charitable and Non-Profit facilities, Commercial and Industrial, and all others.
- Standardization of real property assessments and taxation
- Properties owned and operated by Charitable and Non-Profit organizations, and providing housing accommodation for elderly and infirm persons, should continue to be exempt from assessment for school tax purposes

In addition to those recommendations that have been implemented, the Weir Report also included recommendations that have not been successfully realized. One of these key elements was the development of a single assessment authority for the Province of

Manitoba. The advantages and disadvantages of this form of single assessment authority continue to be discussed in present day.

The advantages relate to fair treatment and reduced administration costs. It was anticipated that a single assessment authority would result in fair treatment for areas both inside and outside Winnipeg. Also, it was hoped that the creation of a single assessment authority would reduce duplication. The current two-authority system has historically resulted in two assessment manuals, two sets of policy guidelines and two bodies of existing management.

Despite the obvious benefits, there are several reasons why assessment has not yet evolved to a single authority. In order to change the current system, a political decision needs to occur. It appears as if neither the provincial nor the city government wishes to create this undue controversy. A second, and more controversial reason, is that the creation of a single assessment authority would likely result in additional costs for the province while reducing the costs for the city. In other regions, provinces with assessment authorities/management agencies' have implemented service charges for the completion of assessments. In this way, there are attempts made to eliminate any costs to the province.

Although important, the Weir Report has been only one part of the process in creating a fair assessment practice in Winnipeg and throughout Manitoba. The report has been followed by several court cases in which the City of Winnipeg has been ordered to conduct a general reassessment at market value. In 1985, a case known as the Mossbarger decision resulted in Winnipeg being ordered to conduct a full reassessment

by the year 1987. In this case, the decision was made even though the City of Winnipeg had already planned to complete a reassessment for the year 1988.

In the Shapiro decision, 1987 reassessed values were declared unsatisfactory because they did not reflect market values. In this decision, of note was that the assessment department had conducted 1987 reassessments using 1975 market values. The court had ordered the assessment to be redone using current market values. This resulted in chaotic property assessment administration practices within the City of Winnipeg. During the late 1980's and early 1990's an extremely high number of property tax appeals were submitted. At times the appeals for one year were carried over to the following year.

The "City of Winnipeg Property Tax Assessment Inquiry" is the most recent report on the City's assessment practice (Scurfield, 1996). This report provides an overview of current administrative problems afflicting Winnipeg's assessment department. It also focuses on the administrative problems within the government structure in the City of Winnipeg. In it, Mr. Scurfield detailed several inefficiencies in the operation and administration of Winnipeg's assessment department. The administrative problems were identified as a lack of ability to provide financial and policy commitment that was necessary in order to complete accurate assessments.

The many reports and court appearances of assessment issues reflect the importance of assessment accuracy in determining fair property taxation. The recent conversion to market value assessment in Manitoba and Winnipeg was intended to solve problems through simple evaluation and understandable assessments. Despite the signs of some progress in assessment practices following the Scurfield inquiry, the increasing level of

property taxation continues to encourage property owners to carefully scrutinize their assessments.

4.3.1 Capitalization

Capitalization is a key component in the assessment of real property for the purposes of taxation. "Property tax capitalization refers to the process whereby real estate values are influenced by local government taxes and expenditures (Kitchen, 1992, p.70)." Extraneous factors included in this process are any restrictions or obligations placed on the property's owner or occupier. Also included would be any benefits such as superior access or preferred location. It is therefore reasoned that the costs and benefits of municipal government services are also included in the market value of real property.

As an example, a property serviced with water and sewer would likely have a higher market value than property without those municipal services. Included in the market value would be a consideration of the municipal tax levied to pay for water and sewer. As long as the municipal services were interpreted as benefiting the property more than in burdening through taxes, then the property value would increase. Inversely, if the municipal services were not thought to benefit the property enough to justify the tax levels, then the value of the property would decrease.

Determining the value of capitalized services requires that properties that are identical in every aspect, except for those services, are examined. This requirement makes the discussion of capitalization very difficult to isolate and prove. In Kitchen's 1992 study of property tax he states, "While the jury is still out on the extent to which capitalization exists under assessment differentials of the type found in Canada, particularly in Ontario,

the only Canadian study found no significant evidence of capitalization of property tax differentials into property values. If those differentials are not capitalized, then some of the properties are overtaxed while similar properties are undertaxed (Kitchen, 1992, p.70).” Although outside the scope of this study, this is important to consider when examining the benefits of municipal service and the levels of property tax. This is an area where future research would be worthwhile.

4.4 PORTIONING

The portioning amount is determined by the use of the property and can be defined as the percentage of assessed value against which property taxes are levied. The standard rates in Manitoba being presently phased in are: 45% for all residential, 65% for any commercial or industrial property, and 20% for agricultural lands. Portioning is intended to create a more equitable distribution of property tax by taking into account the ability to pay. Portioning is also rationalized on the basis that residential property owners represent a higher percentage of votes than business owners. This rationale suggests that the higher portioning allocated to the business/commercial assessment is a result of less opposition, rather than any theoretical or economic argument.

Currently, the Province of Manitoba is attempting to simplify portioning. A ten year phase-in program will eventually have all classes of residential properties with the same (45%) level of portioning. The initiative, which began in 1989, attempts to ensure all residential properties are taxed at the same portioning level of 45% by the year 2001. Table 4.1 demonstrates the recent and future changes in the portioning values for the

three residential types. As a result, condominium property owners are incurring increases in their portioning value of up to 2% per year.

Table 4.1: Phase-In of Residential Portioning

Residential Type	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Type I Single-Family	48.6	47.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0
Type II Multi-Family	73.2	68.0	64.0	64.0	61.0	57.0	57.0	53.0	49.0	49.0	45.0
Type III Condominium	32.7	33.0	34.0	35.0	37.0	38.0	39.0	41.0	43.0	43.0	45.0

There are obvious factors supporting this adjustment of all residential types to a 45% portioning of assessed value. On the surface, this appears to be a fairer and a simpler method. The belief is that any type of residence should pay tax on the same portion of their assessed value. An investigation of the provincial decision to adopt this current portioning has not successfully revealed any background or research work regarding the fairness of the new portioning values (Please see Appendix C for a complete listing of portioning values).

In making the political and administrative decision towards a less complex property tax structure, the province may have overlooked several aspects relating to the issue of fairness. Variations in accessibility of municipal services and municipal responsibility may have formed the original reasoning behind varied mill rates and unequal portioning. An accurate interpretation of this discussion relies upon the government position in defining property tax as a wealth tax versus benefit tax. The portioning change has revealed that condominium owners believe the lower portioning of assessed value on condominiums reflected a lower level of service. However, both the Province of

Manitoba and the City of Winnipeg adhere to a policy that property tax is a wealth tax and is therefore administered independent of services received (as reasoned previously in this paper).

4.5 MILL RATES

The actual mill rate is the amount of tax to be levied for every \$1,000 of portioned assessed value. The mill rate is determined by dividing the budget requirements of the municipality by the total assessed value of the entire municipality. The mill rate is applied to the assessed value of a property to calculate property taxation levies. Current mill rates are actually composed of three individual mill rates including general municipal, local education and provincial education. Property taxation is then used to fund several different government functions.

As discussed earlier, this study is primarily focused on municipal property taxation that provides the majority of revenue for municipal governments. The general revenue raised provides resources from which each department receives its funding. The mill rate is set by determining the financial requirements after accounting for revenues from all other sources.

The City of Winnipeg is among many municipalities in Canada that has moved towards a citizen as client approach as stated in Winnipeg City Council's 1990 directive (City of Winnipeg, 1990). This approach suggests governments are the suppliers of services and benefits. This has several implications for condominium owners, for example: why, as a client, are condominium owners charged for services not received? If one were to adopt this approach, there should be a reduction in mills to specifically reflect services received

by the owner. For example, if solid waste collection represents 5 mills, then should a condominium development which manages and pays for its own garbage removal have to pay this portion in the municipal budget?

Traditionally, this argument has been difficult to prove because department budgeting and personnel costs have not been related to specific municipal activities. However, the City of Winnipeg is currently moving towards an accounting method that allocates all costs of each activity to the specific departmental budget. These complete costs will allow for a more accurate examination of costs and services within the various departments. This practicum examines the services supplied by municipal governments to condominium owners and compares them to those supplied to other forms of residential tenure. The results illustrate that fewer services are supplied to condominiums. The unequal level of service provides a basis for the argument that it is unfair to levy the same amount of tax on properties that are receiving different levels of service.

CHAPTER FIVE: EVALUATING THE FAIRNESS OF THE PROPERTY TAX ALLOCATED AGAINST CONDOMINIUMS

Governments, citizens and businesses have an interest in ensuring a fair distribution of the property tax burden. It is a government's responsibility to ensure equity is achieved among all property owners. Equity is often challenged by political forces in the form of voting or in the form of pressure towards stimulating business. Thus, what is fair may not necessarily be popular among the voting majority.

Property owners have the natural desire to maintain their taxes at a low level, and thus, to take action to ensure they are only paying what is fair. The preceding chapter examined implementation practices of property taxation. To explore the theories and practice of property tax fairness, the proceeding chapter will examine avenues in which condominium owners may have been treated unfairly. This chapter will then complete the examination by applying the criteria of fairness and equity in the form of a wealth tax and a benefit tax. It is intended that this chapter will examine and, if applicable, document any unfair treatment of condominium property owners. The findings of this chapter will be used in Chapter Six to answer the question of property tax fairness.

Fairness of property tax as a wealth tax is dependent upon an accurate interpretation of wealth and ability to pay. The accuracy of the assessment was deemed as the most appropriate way of examining the fairness of condominium treatment under the definition of property tax as a wealth tax. To achieve this, the City of Winnipeg 1997 and 1998 assessments were evaluated for accuracy.

As a benefit tax, fairness in taxation is dependent upon level of taxation being reflective of level of service. The distribution of services and benefits establishes the foundation for C.C.I.'s concerns. Presently, the majority of condominium corporations are not in receipt of garbage pick-up, snow removal, street maintenance or sidewalk clearance from the municipal government. In addition, many condominiums provide their own security and parks/green spaces. It should be noted that, while the majority of condominiums do not receive these services, there are those who do, and they should be considered with the interpretation of the examination. With direct and indirect benefits being provided by the corporation, lower servicing level will be assessed and the subsequent decrease in expenditure responsibilities for the municipal government will be reviewed. To evaluate the fairness of property tax as a benefit tax the chapter examines this relationship between level of service and level of taxation.

5.1 EVALUATION OF ASSESSMENT ACCURACY

A fair distribution of the property tax burden depends in part on accurate property assessments. This creates basic equity among property owners. Various governments and courts have struggled to define how assessments might best reflect a fair and equitable value. Throughout Canada, the definition of an equitable assessment has generally been accepted as market value. Of note, the adoption of market value assessment coincides with the ad valorem philosophy of property tax. The basic premise is that if property is used to assess wealth, then the more accurate the estimate of wealth, the fairer the tax distribution. In section 4.4, the path to market value assessments was documented for both Winnipeg and Manitoba.

5.1.1 Methodology of Assessment Evaluation

The accuracy of market value assessments represents one of the major components of a fair property tax levy. To assess this further, an evaluation of the assessment accuracy in reference to condominiums in the City of Winnipeg has been performed. The Province of Manitoba and the City of Winnipeg assessment departments use a nationally accepted formula to determine accuracy:

$$\text{assessed value} / \text{market value} = \text{accuracy factor}$$

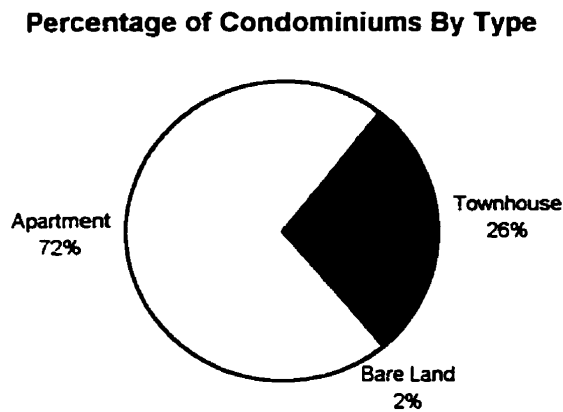
Both the province and Winnipeg suggest the accuracy factor to be within the 0.9 to 1.1 range. This translates to a margin of error of +/- 10% of market value.

A random sampling of 278 condominium market values was compared to both their respective 1997 and preliminary 1998 assessed values. The samples of condominium sales were from Winnipeg. Condominium property assessments from outside Winnipeg were not evaluated because of the obstacles in obtaining the necessary information. Since similar condominium assessment practices occur throughout the Province, the findings of Winnipeg's assessment practice reflects what may be occurring in outlying areas. For a complete list of the properties evaluated please see Appendix E.

5.1.2 Evaluation of Assessment

The sampling of 278 condominium sales were obtained from of a list of 1996 recorded arms length sales. The condominium sales included three primary types of condominium units: apartment, townhouse and bare-land. The following graph illustrates the distribution of condominium types.

Figure 5.1: Percentage of Condominiums by Type



The average value of the comparison sampling was \$64,473, with the average 1997 assessment being \$64,425. The sample sales were evaluated using the formula: $\text{assessment} / \text{market value} = \text{accuracy factor}$. The following chart illustrates the accuracy of the 1997 and the projected 1998 assessments.

Table 5.1: Evaluation of Condominium Assessment

Type of Condominium	Average 1996 Sale Price	Average 1997 Assessment	1997 Assessment Accuracy	Average 1998 Assessment	1998 Assessment Accuracy
Apartment	\$61,249	\$60,138	1.006	\$61,886	0.990
Townhouse	\$68,860	\$64,984	1.058	\$68,878	0.995
Bare Land	\$117,276	\$106,717	1.106	\$111,817	1.055
Total	64,473	62,425	1.022	\$64,814	0.993

As illustrated in Table 5.1, the average market value assessments of the sample sales are in the 10% margin of error allowed by the City of Winnipeg. For 1997, the average assessment was within 3% of the 1996 sale price, and for projected 1998 assessment values, the accuracy is even better at 1%. Despite the average 1997 accuracy being within the 10%, the accuracy of individual assessments suggests that there is room for improvement. Upon examining individual properties, it was revealed that 122 of them had 1997 assessments above the allowed 10% margin of error. When examining the 1998 assessments, the total number of individual properties that had assessments above the 10% margin of error decreased to 65.

The evaluation discussed above reveals that approximately 45% of 1997 condominium market value assessments were outside the 10% margin of error. When sale and assessment numbers were averaged, it was found that the discrepancy became balanced through an equal number of assessments that were either under/over the market value in assessment. Of the 122 inaccurate assessments, 79 were above market value and the remaining 43 were below. For 1998, there were 26 assessments that were above the 10% margin of error and 39 that were below.

Despite this, the average condominium is still assessed at a higher level than 1996 sale values. The amount/degree of error in the 1997 assessment of condominiums should create concern for both condominium owners and the City of Winnipeg. Further evaluation of assessments should be completed to examine the margin of error for each of the different property classes. It is important that the margin of error of each property class be relatively similar to facilitate an equitable allocation of the tax burden.

5.1.3 Conclusion

The purpose of this section was to evaluate the accuracy of Winnipeg's assessment of condominiums. Historically, the City of Winnipeg has experienced intense controversy in relation to its property assessment practices. Winnipeg's assessment system has been scrutinized by the court and the public due to years of inefficiencies and subjectivity throughout the process. This trend appears to have been corrected with the 1997 market assessment. It should be noted that despite an acceptable level of accuracy, there continues to be a number of properties with inaccurate assessments. There are several factors that could have created the inaccuracies of assessments identified in the above study. The factors are:

- ONLY 1996 SALE VALUES WERE USED WHILE THE WINNIPEG ASSESSMENT DEPARTMENT USES SALE VALUES OVER A PERIOD OF TWO YEARS FOR ITS ASSESSMENTS;
- THE 1997 ASSESSMENT AT MARKET VALUE REPRESENTS A DRAMATIC CHANGE IN THE ASSESSMENT PRACTICES IN WINNIPEG. IT MAY REQUIRE A FEW YEARS TO BE FULLY IMPLEMENTED AND TO WORK EFFECTIVELY; AND
- A POTENTIAL WEAKNESS IN THE METHODOLOGY OF THE CITY OF WINNIPEG ASSESSMENT PRACTICES.

Due to the number of condominium properties that were outside the allowed margin of error, this may also represent a further inequity. With this in mind, it is imperative that all types of properties have the same margin of error and share the same level of assessment accuracy. To ensure this consistent relationship and to evaluate the assessment accuracy for other types of property, further studies should be conducted to evaluate all property assessments.

5.2 EVALUATING THE CONDOMINIUM PROPERTY TAX CONTRIBUTIONS AND APPORTIONED COSTS

Property tax in the City of Winnipeg, and in the Province of Manitoba, has always been an issue of significant importance. Responding to the increasing levels of property taxation, several residential interest groups have opposed the City and the Province. This opposition was seen in the Headingley secession in the late 1980's and was followed by the referendum in St. Germaine/Vermette in 1995. In each case, the residents' main concern was that property taxation in their areas represented unfair treatment from the City of Winnipeg.

As stated previously, the Headingley situation was founded in the residents' belief that they did not receive the same level of service, as compared to residential areas closer to downtown, yet they were levied the same property tax. A further controversy associated with the tax issue was the general sentiment that Headingley was a rural area and, thus, should not be governed by the City of Winnipeg. Winnipeg's inability to disprove the residents' notion in an unfair tax policy resulted in the 1995 secession and the formation of a new rural municipality.

As indicated in Section 3.7, residents in the St. Germaine/Vermette area were concerned over their property tax levies. They felt that they were paying taxes that were similar but that they did not receive the same level of benefits as compared to the majority of residents in the City of Winnipeg. The issue of secession was raised in this case but, after Headingley, the Province introduced legislation making it impossible for areas to attempt secession. The residents proceeded with a referendum and the results demonstrated a slightly higher number of residents opposing secession. After lengthy discussions and

serious political debates, the residents of the St. Germaine/Vermette area were granted an annual \$250.00 reduction in their property tax for services not received and accessibility related inconveniences.

In both cases, the government and the administrators adhered to a common tenet. The tenet was that although property tax is based on real property, services are provided to people and not to property. Property does not consume or require services. Rather the people who occupy the property require the services. Therefore, the argument involving property tax versus service levels becomes an issue of equal treatment amongst all residents in terms of the basic availability of a particular service or group of services. As indicated previously, the consultants investigated the concerns of the residents of Headingley and St. Germaine/Vermette by examining three major factors:

1. SERVICING LEVELS IN THOSE AREAS IN COMPARISON TO SERVICING LEVELS OF WINNIPEG IN GENERAL
2. COST OF PROVIDING SERVICES TO AREA RESIDENTS INCLUDING A COMPARISON OF THE COST TO PROVIDE SERVICES TO WINNIPEG IN GENERAL; AND
3. THE AREA'S CONTRIBUTION TOWARD WINNIPEG'S PROPERTY TAX REVENUES.

The reports and factors used in decision making on the cases were employed as a basis for evaluating condominiums and their level of property tax. The evaluation focused on the following questions:

1. Are the revenues generated by property tax levies on condominiums more or less than apportion servicing costs?

2. Does the current property tax system consider benefits to property owners and, if so, do property tax levels account for the varying degree of servicing?

5.2.1 Analysis of Condominium Owners' Financial Impact on the City of Winnipeg Budget

For the purpose of this study, the role of condominium property taxation in municipal budgets has been examined using City of Winnipeg data. Winnipeg was chosen as the focus of the study due to the availability of the information, as well as its significant condominium population. The evaluation was completed using an adaptation of the methodology used in the Headingley and the St. Germaine/Vermette investigation. The role of condominiums was examined using two approaches including tax and services as property and, tax and services as citizens.

Condominiums in Property Terms

As of 1997, the City of Winnipeg was composed of 187,713 properties. Condominiums represented 9,543 or 5.1% of the properties. This equates to a relatively small share of the City's real estate. In an attempt to adapt the methodology of the previous studies, the following chart identifies property tax revenues generated by the different forms of residential property. The values are compared to the City's average, as well as, the residential average.

Table 5.2: Evaluating City of Winnipeg Property Tax

Property Type	# of Properties	% of Total Properties	1997 Portioned Assessment	% of Total Portioned Assessment	1997 Property Tax Revenues	% of 1997 Property Tax Revenues
Winnipeg	187,713	100.0%	\$13,067,415,300	100.0%	\$381,669,773	100.0%
Residential	179,387	95.6%	\$7,521,357,460	57.6%	\$246,947,564	64.7%
Class 10 (single-family)	165,951	89.4%	\$6,275,900,620	48.0%	\$205,944,610	53.9%
Class 20 (apartment)	3,893	2.1%	\$936,745,020	7.2%	\$30,826,860	8.1%
Class 80 (condominium)	9,543	5.1%	\$308,711,820	2.4%	\$10,176,094	2.7%

The chart demonstrates a consistent relationship between the various forms of residential development. For each of the different classes of residential property, there was a fairly consistent level of property taxation in relation to the percentage of the Winnipeg assessment base. Each residential property class displays a slightly higher percentage of revenue when compared to its percentage of Winnipeg's portioned assessment. This difference can largely be attributed to the lower tax yields from farm, pipeline, railway and institutional properties.

In the Property Type column, the Class 80 condominiums do not appear to have any variations that would represent a significant difference from other types of residential property. The average revenue generated from this condominium type (\$1,066.34) is slightly below the average generated by single family homes, Class 10. This relationship is supported through the average proportioned assessment values in which Class 10 properties average \$34,985 and condominiums/Class 80 average \$32,349. The Class 20 residential category, representing higher density apartment units, had a much higher average assessment (\$240,623) but had a relatively equal value of percent portioned at 7.2% and a percent of total tax revenues at 8.1%.

In summary, condominiums as a type of property appear to receive similar treatment when compared to single family homes and apartment units. Within the continued phasing of portioning percentage, condominiums will soon share the same tax burden and percentage of revenue as does other residential properties.

Condominium Property in Terms of Citizens

The Headingley and the St. Germaine/Vermette studies emphasized that municipal services are provided to people not property. Therefore, any evaluation of property tax should be completed through an examination of tax revenues and services/costs per person. Applying this methodology to condominiums is challenging because there are no population figures collected for the number of people living in different types of housing tenure. The methodology was adjusted to incorporate this. The Manitoba Chapter of the Canadian Condominium Institute provided an estimate of the average number of people residing in condominium dwellings. Admittedly, this is a weakness of this study. It should be noted, however, that in both the Headingley and the St. Germaine/Vermette studies, information was submitted by participating parties and was included as part of the study.

The Manitoba Chapter of the Canadian Condominium Institute submitted an estimate of 1.75 people per condominium unit (please see Appendix F). This estimate has been used to compare the City of Winnipeg's cost and revenue per person to those of the general population. The following chart demonstrates condominium property tax levies in relation to those in a segment of the population.

Table 5.3: Evaluating Property Tax Per Resident

Residents Living in	1997 Municipal Property Tax Revenues	Population(1996)		Revenue per Resident
Winnipeg	\$381,619,773	639,600		\$596.76
Residential Property	\$246,947,564	639,600		\$386.09
Condominiums (Class 80)	\$10,176,094	1.5/dwelling	14,315	\$710.87
		1.75/dwelling	16,700	\$609.34
		2.0/dwelling	19,086	\$533.17

Using a range of occupancy numbers from 1.5 to 2.0, condominium property tax revenues translated to between \$533 and \$710 per person. The average municipal property tax revenue is \$386 per person. Using the actual number submitted by the Manitoba Chapter of the C.C.I. indicates that the property tax revenue per resident is \$596.76. In summary, using the supplied condominium occupancy rate as a basis, the findings suggest that residents of condominiums pay a substantially higher per capita rate of property taxation.

Summary

Property tax levied against condominiums appears to be equitable when examined using the number of properties as a basis for comparison. In contrast, when dwelling occupancy is taken into account, condominiums appear to generate more property tax per resident. However, to accurately interpret this potential relationship there needs to be a more thorough examination of condominium demographics. The examination should evaluate occupancy levels and population characteristics. This potentially inequitable relationship needs to be thoroughly explored and confirmed using accurate numbers when available from Statistics Canada. This is an important consideration during the next phase of evaluation.

5.2.2 Evaluating Municipal Benefits According to Dwelling Type

One source of concern for condominium residents is the failure of governments to recognize the benefits associated with condominium dwellings. These direct and indirect benefits focus primarily on reduction of responsibility of municipal governments. The direct benefits to municipal governments include explicit cost avoidance generated by a reduced need for: refuse collection, internal road maintenance, street lighting and snow removal. The suggested indirect benefits include higher densities; reduced need for policing; provision and maintenance of internal parks; and an alternative form of home ownership. Both the direct and the indirect benefits will be examined in order to assess the potential impact they have upon municipal finance and condominium property taxation levels.

Local Government Responsibilities

To fully evaluate the benefits that condominiums provide for municipal expenditures, an analysis of all servicing opportunities available to and used by condominium residents must be performed. For example, if a study of condominium population characteristics were to demonstrate an older population, it could be assumed that condominium residents consume a larger portion of municipal services offered to the senior population. Examples of these services include, handi-transit, libraries and subsidized senior's rates offered when user fees have been implemented. This is a complex relationship that must be balanced to create public equity while ensuring the fair treatment of all private individuals.

Direct Benefits

In comparison to other forms of home ownership, condominiums provide a benefit to municipal governments by reducing servicing requirements and costs. In Manitoba, many condominiums do not receive municipal services such as garbage/refuse collection and residential maintenance.

Refuse Collection

Although some condominiums receive refuse collection most do not. Despite this decreased level of service, condominium property taxation continues to cover net costs for residential garbage collection. In addition, condominiums are required to support municipal revenues in the form of tipping fees. This fee is applied to the users of municipal landfill sites.

This situation provides the City of Winnipeg with two benefits including lower municipal service demands without commensurately lower revenue resources. It would appear that one of the reasons for the garbage collection servicing discrepancy is a municipal regulation that defines any property with more than four units as an apartment complex. The City of Winnipeg does not provide garbage collection servicing to properties that meet such criteria. Appendix H provides an example of such a regulation. The example demonstrates how the new automated garbage collection containers are free to properties containing 4 units or less. Accordingly, any condominium or apartment complex is required to purchase the containers at its own expense.

The municipality then benefits by not having to provide refuse collection services to all condominiums thereby avoiding operating costs. Appendix G shows the tax supported

per capita costs, by department, for the 1997 City of Winnipeg budget estimate adopted by Council. Refuse collection is provided by a mill rate that is supported by a budget of \$14,504,208. This translates to a Winnipeg per capita cost of \$22.68. Using both the C.C.I. estimate of the average condominium occupancy of 1.75 and the total number of condominium properties, the following table demonstrates the potential revenue savings to the City of Winnipeg.

Table 5.4: Refuse Collection - Revenue Savings for Winnipeg (per capita)

Condominium Occupancy	Number of Condominium Residents	Per Capita Costs for Refuse Collection	Expenditure Saving for Winnipeg
1.5 persons/dwelling	14,315	\$22.68	\$324,664
1.75 persons/dwelling	16,700	\$22.68	\$378,756
2 persons/dwelling	19,086	\$22.68	\$432,870

Based on the total 1997 condominium portioned assessment of \$308,675,753 the revenue savings represent 1.052, 1.227 and 1.402 mills respectively on an individual condominium owners' property tax bill. To the average condominium assessed at \$32,346, this municipal expenditure saving represents an estimated \$34.03 to \$45.35 in municipal property taxation.

Table 5.5 Refuse Collection - Revenue Savings for Winnipeg (per property)

Refuse Budget	Number of Winnipeg Properties	Per Property Costs for Refuse Collection	Number of Condominium Properties	Expenditure Savings for Winnipeg
\$14,504,208	187,713	\$77.27	9,543	\$737,369

Using per property costs for refuse collection, condominiums save the City of Winnipeg an estimated \$737,369 worth of expenditures per annum. It should be noted that the actual figure is in fact higher because all Winnipeg properties were included when establishing a cost per property for refuse collection. Not all properties receive refuse collection. However, as this number has not been determined, the least subjective method

was to use the total Winnipeg property count. Based on the 1997 total portioned condominium assessment of \$308,711,820, the \$737,369 expenditure saving translates to 2.388 mills. For the average condominium assessed at \$32,346 this municipal expenditure savings represents an estimated \$77.26 in condominium property tax.

In summary, the lack of municipal refuse collection was estimated to save Winnipeg between \$325,000 and \$740,000 per year.

Streets and Transportation

Condominiums maintain all aspects of their property. Municipal governments receive benefits through a reduction in service levels and a decrease in the associated costs. Typical streets and transportation services that are usually not provided to the majority of condominium properties include:

- residential street maintenance
- residential sidewalk maintenance
- residential snow removal
- residential street cleaning
- residential street lighting

Apportioned costs as determined in Appendix G suggest that streets and transportation costs per capita are \$82.52. This includes street lighting. This amount of \$82.52/person includes all costs associated with both streets and transportation. It cannot be suggested that condominiums do not receive the benefits from the maintenance of regional infrastructure. However, condominiums do not receive the same servicing levels as compared to other types of residential properties. It is extremely difficult to account for municipal costs associated with single family or non-condominium residential ownership

due to the amount of data available. Despite many attempts, in many different government departments, these costs were not available for use in this practicum.

Although Appendix D establishes an approximate amount of residential servicing, it is impossible to establish an accurate estimate of costs. To explain, the costs of servicing 1km of a residential street does not equal the cost of maintaining 1km of a regional street, for example, Portage Avenue. Currently, the City of Winnipeg's streets and transportation budget is not divided into the maintenance servicing costs between the different types of streets.

Taking this into account, the following chart demonstrates different possibilities of the costs associated with servicing residential streets.

Table 5.6: Streets and Transportation Expenditures

Streets & Transportation	1997 Mill Rate Supported Budget	Per Capita Expenditure	Per Property Expenditure
Road Maintenance	\$13,315,697	\$20.82	\$70.94
Street Cleaning	\$3,098,354	\$4.84	\$16.51
Snow Removal	\$17,387,094	\$27.18	\$92.63
Sidewalk Maintenance	\$1,681,174	\$2.63	\$8.96
Street Lighting	\$6,140,000	\$9.60	\$32.71
Total	\$41,622,319	\$65.08	\$221.73

The above Streets and Transportation expenditures represent those for the entire City of Winnipeg. The challenge associated with determining municipal expenditure savings is to estimate what portion of the above expenditures supply services strictly to residential areas. Ideally, this value could be calculated using cost per lane-kilometer, but the information necessary to complete this analysis is not available. To avoid selecting a value subjectively, the following table provides varying estimates of expenditures devoted to residential streets and transportation costs and street lighting. To provide

some indication of the potential relationship, the 1997 City of Winnipeg Budget documents that 48.9% of sidewalks are residential. Information obtained from the City of Winnipeg Streets and Transportation Department document 2,728.57 linear kilometers of residential streets and 3,491.98 lane kilometers of residential streets. This translates respectively to 62% and 51.4% of the total streets in Winnipeg.

Table 5.7: Potential Expenditure Savings on Residential Streets

Potential % Residential Expenditures	Potential Residential Expenditures	Potential Residential Expenditures per Capita	Potential Residential Expenditures per Residential Dwelling	Potential Expenditure Savings per Capita (1.75/dwelling)	Potential Expenditure Saving per Residential Dwelling
100%	\$41,622,319	\$65.08	\$232.03	\$1,086,762	\$2,214,217
60%	\$24,973,391	\$39.05	\$139.22	\$652,057	\$1,328,530
50%	\$20,811,160	\$32.54	\$116.01	\$543,381	\$1,107,109
40%	\$16,648,928	\$26.03	\$92.81	\$434,705	\$885,687
30%	\$12,486,696	\$19.52	\$69.61	\$326,028	\$664,265
20%	\$8,324,464	\$13.02	\$46.41	\$217,352	\$442,843

The potential expenditures estimated for residential streets provide a wide range of possible expenditure reductions for Winnipeg. When using per capita costs with estimated condominium occupancy of 1.75 people per dwelling, the condominium population equals 16,700. There is a potential cost savings of \$217,352 (20%) to \$652,057 (60%). When dwelling counts are used to estimate potential expenditure savings for residential streets, the range is from \$442,843 (20%) to \$1,328,530 (60%). This represents a large range of potential expenditure reductions. To provide a basis for evaluating the percentage of residential sidewalk, 48.9% is comparable to 50% of identified residential street expenditures. At 50% of expenditures, the potential savings to Winnipeg range from a \$543,381 based on per capita to \$1,107,109 based on expenditures per residential dwelling.

Indirect Benefits

In addition to direct services, condominiums have the potential to provide indirect benefits by reducing the usage of other municipal services. Indirect benefits differ from direct ones in that they have the potential to reduce dependency or cost of municipal services. One of the more common indirect benefits is the higher density that is generally associated with condominium developments. As was demonstrated in Chapter 4, 98% of condominium developments occur in a townhouse or a high rise building. Higher density offers several benefits to municipal government, including:

- a reduction of street, sewer and water infrastructure
- allowing for increased preservation of agricultural and/or natural areas surrounding/within the City
- allowing municipal soft services to function at an increased efficiency. Fire and transit, for instance, are able to service more people and property while requiring less equipment and fewer personnel

It is important to acknowledge that the benefits associated with higher density developments are not unique to condominiums. Condominiums are a form of ownership and do not represent a dwelling type. However, lower density, bare-land condominiums represent only 2% of condominium developments in Winnipeg.

Other indirect benefits of condominium developments include facilities and services provided on the property of the condominium that are provided elsewhere by the City. These typically include the servicing of parks and security. Many condominiums,

especially those of the townhouse style, have internal parks constructed and maintained by the condominium association. These internal parks reduce the need for municipal parks and reduce the cost to the government. In addition, condominiums that provide security have the potential of reducing the dependency on municipal police by controlling vandalism and theft on their property.

Summary

This discussion has involved descriptions of both the direct and the indirect benefits of condominium style residential dwellings. For direct benefits it is possible to estimate the potential expenditure savings created by the condominiums. Identifying expenditure savings associated with the indirect benefits of condominium development is significantly more challenging, and perhaps impossible. The difficulty occurs when estimating the municipal expenditure savings for services that are available but may not be used or are not extensively used by the condominium residents. Nevertheless, it is evident that there may be expenditure savings associated with the direct benefits and probable expenditure savings associated with the indirect benefits.

CHAPTER SIX: EVALUATING FAIRNESS IN CONDOMINIUM PROPERTY TAXATION

The use of property tax to fund the increasing responsibilities of local government has created general public concern. The theory presented in Chapter 2 provides a basis to examine the fairness in the taxing of real property. Theorists generally agree that there are two acceptable methods in evaluating the fairness of taxation. The first, termed a wealth tax, is intended to tax people based on their ability to pay. The second means of evaluating tax fairness examines the level of tax relative to the benefits received. Government has preferred to label property tax a wealth tax, making arguments based on benefits difficult to sustain from a government perspective.

The following chapter will evaluate the fairness of Manitoba's and Winnipeg's taxation policy of condominiums. This chapter attempts to answer the question: Are condominium owners being treated fairly in terms of property taxes levied? To answer this question, this chapter first redefines property tax fairness. Then the results of the evaluation components completed in Chapter 5 are interpreted to assess the fairness of condominium property taxation.

6.1 Determining What is 'Fair' Property Taxation

As was discussed in Chapters 1 to 3, tax fairness is typically examined using one of two criteria: the ability to pay or the benefits received. Governments have traditionally represented property tax as a wealth tax that utilizes the value of real property to establish one's ability to pay. Despite property tax theory and government policy, the general public traditionally interprets property tax as a benefit tax.

The fairness of property tax as a wealth tax was examined extensively in Chapters 1 & 3. The challenges associated with property taxation have primarily centred around allegations that real property does not represent wealth. Tax fairness suggests that wealth should represent one's ability to pay. For this reason, property tax has often been termed a regressive tax. This term represents the negative relationship between the level of taxation and the ability to pay.

Two further aspects that support the argument against the use of real property to estimate wealth are included in the Wealth Report (1991). This report suggests that real property is not an indicator of wealth and that property tax is considered to be a tax on unrealized capital gains. The recent release of the City of Winnipeg - Committee on Tax Reform report upholds this conclusion. The inquiry suggests that there are significant issues that challenge the fairness of real property tax as a tax based on wealth. In the Committee's 1991 report entitled "Rethinking Taxation—Making Winnipeg Competitive" it states; "if taxes should be levied on taxpayers according to their ability to pay, then it is obvious that mere ownership of real property does not indicate an owner's ability to pay" (p. 32). This report provides further support that property tax, as a wealth tax, is not considered to be fair or equitable.

In addition to researchers' arguments against property taxation as a wealth tax, municipal governments have been forced to deal with the public's perception that property tax is related to direct and visible benefits. Traditionally, municipal governments have been reluctant to accept the idea that property tax is often evaluated based on benefits and services. In response, many provincial governments have been more open to allowing municipal governments to adopt new ways of generating revenue.

One of the more popular methods of generating revenues has been through the introduction of user fee systems. The 1997 Property Tax Review from the Winnipeg 2000 Economic Development Corporation and the 1998 report of Winnipeg's Committee on Tax Reform both suggest that Winnipeg is lagging behind other cities in this regard. It has been indicated that Winnipeg needs to reduce its dependency on property taxation through the use of other types of revenue sources including the increased application of user fees.

The reports do not suggest a total reduction in property taxation but rather that property tax should be supplemented through revenue received from user fees. This is already occurring in municipalities across Manitoba including Winnipeg. In these instances, user fees are being implemented for recreation, information and transit services. These actions by the provincial and municipal governments in Manitoba document that there is a strong relationship between property tax and benefits received.

In Manitoba, there have been two major instances where residents and governments were involved in controversy regarding the level of taxation and the benefits received. In both the Headingley and the St. Germaine/Vermette studies focused on this perceived inequity. In Headingley, the result was secession, and in St. Germaine/Vermette, it was a property tax reduction grant. The studies leading up to the government decisions analyzed the residents' complaints using a comparison of servicing cost apportioned to the area, versus property tax revenues generated.

In the more recent case of St. Germaine/Vermette, the City of Winnipeg allotted the tax reduction on the basis that the rural area "did not have the same conveniences as other tax

payers” (E.P.C., 1996). Its recommendation to Council, “reiterated its support for the ad valorem tax system” (1996). It also “acknowledged that because all properties in Winnipeg are taxed based on fair market value, a portion of that value reflects the degree of servicing afforded to a property” (E.P.C., 1996). The City of Winnipeg’s decision in the matter of St. Germaine/Vermette, and the provincial decision in Headingley, appears to contradict government stipulation that property tax is a wealth tax and not a benefit tax. Based on the information examined in this study it would appear appropriate to evaluate property as both a wealth tax and as a benefit tax.

6.2 Evaluating the Fairness of the Condominium Property Tax as a Wealth Tax

The role of property tax as a wealth tax has a controversial history in Manitoba and elsewhere. Fairness of a wealth tax requires that the tax take into account one’s ability to pay. In the case of property tax, ownership of real property is used to indicate wealth. As was documented in Chapter 3, and again in section 6.1, it has been proven that real property is not a legitimate indicator of wealth because it does not reflect one’s ability to pay. Despite the obvious unfairness, property tax continues to be extensively used as a revenue source for municipal governments across Canada. It is unlikely that municipal governments will find a means of replacing property tax revenues in the near future. Therefore, property taxation must be used in the most equitable manner possible to ensure that all property owners are treated fairly.

Based on the conclusions above, as a wealth tax, property tax treats all property owners including condominiums unfairly. To ensure condominiums are treated equitably, Chapter 5 completed an evaluation of the assessment accuracy of the City of Winnipeg.

The evaluation of 278, 1996 random sale values were compared to their 1997 and 1998 assessments. With the average assessment falling within the allowed 10% variance set out by the City of Winnipeg, the assessment does not appear to be a major source of concern. The large proportion (126 of 278) of assessments which did not meet the City's criteria suggests that there is room for improvement. To fully examine the fairness of condominium assessment, further work should be completed to compare assessment accuracy of each of the different property classes.

Summary

Under the definition of a wealth tax, assessment accuracy and access to services are the only areas by which condominiums could be treated unfairly. Upon comparison of 278, 1996 condominium sales to the 1997 and 1998 assessments, it was demonstrated that condominium assessments are relatively accurate. To ensure equitable treatment further research should be completed to compare accuracy levels between the different classes of property. It is reasonable to assume that as the Winnipeg assessment department adjusts to the new market value practices, assessment accuracy will likely increase.

The other component of evaluating fairness in a wealth tax is the accessibility and availability of services. The majority of condominiums receive less service than traditional forms of residential properties. The traditional response to this argument has been that as a wealth tax, property tax is levied regardless of services received. In addition, the capitalization of property tax into market value assessments has been suggested to account for varying levels of service. However, the level to which

capitalization occurs remains an outstanding issue of discussion and is the key factor of fairness in property taxation.

6.3 Evaluating the Fairness of the Condominium Property Tax as a Benefit Tax

Combined with the analysis presented in Chapters 3 and 5, and in Section 6.1, there appears to be both provincial and municipal justification for examining property tax as a benefit tax. This method of evaluating fairness in property tax is to consider the benefits received versus the taxes paid. This section will examine the fairness of property tax as a benefit tax. In doing so, two elements will be discussed. The first, will be an evaluation of the applicability of examining property tax as a benefit tax. The second component will be to evaluate the fairness of condominium property tax using the definition of a benefit tax. Having completed the two step evaluation it will be possible to provide an answer to the practicum's question of determining fair property tax treatment.

The theory and policy discussed in earlier chapters both support and negate the applicability of property tax as a benefit tax. One side of the argument suggests that property tax is a wealth tax that uses the value of real property to estimate wealth. Taxes are levied against that wealth regardless of services provided.

Despite the wealth tax position of governments and theorists, the general public has continued to equate property tax with direct and visible benefits. Public perception may be re-enforced by the introduction of user fees for services. In fairness to municipal governments, the implementation of user fees is likely more a result of the need for more revenues rather than a voluntary shift in tax policy.

Although this may be the case, the utilization of these fees may be serving to continue the perceived relationship between taxes and benefits among the public. In an example sewer and water were historically paid for through property tax revenue. However, through the introduction of user fees, sewer and water now operate on a cost recovery basis. An additional example includes Portage la Prairie's garbage collection fees. Provincial and municipal governments have created a situation whereby community garbage collection is paid through property tax revenues in some communities, and in adjacent communities, garbage collection is paid through user fees. This situation makes it very difficult to differentiate property tax from a benefit tax.

By itself, the above argument does not provide enough justification for examining property tax as a benefit tax. However, Manitoba's and Winnipeg's decisions in the Headingley and St. Germaine/Vermette controversies demonstrate acknowledgement and a willingness to examine property tax fairness based on the level of taxation and the services received. Despite the contradiction to theory and policy, both governments have appeared to accept the public's perception of property tax being related to benefits received. These arguments, although subject to debate, do suggest that there is rationalization for examining property tax as a benefit tax.

Based on the evaluation of services completed in Chapter 5, condominium properties are provided with a potentially reduced level of service while they provide benefits to the municipal government. The potentially reduced level of service represents those services to which condominium owners are not entitled. Confirmation of the reduced level of services would require further in depth research comparing municipal services used by condominium owners to the amount of service used by other forms of residence. By not

requiring the provision of the services, condominiums would be providing direct benefits to the municipal government by reducing servicing responsibilities and thus expenditures. These reduced service requirements are estimated to potentially lower municipal expenditure requirements by \$340,000 to \$780,000 for refuse collection and potential reductions of between \$220,000 to \$650,000 for reduced responsibilities of residential streets. To be considered fair as a benefit tax, property tax levels must be reflective of the level of service. The phasing-in of a uniform 45% portioning for residential dwellings will eliminate any consideration of a reduced level of service experienced by condominiums.

Accounting for the indirect benefits of condominium development is dependent on the fairness of a benefit tax being represented by the level of taxation in relation to the availability of services. Residents of condominium developments share several of the same privileges afforded to other residential units including the use of: libraries, recreation facilities, sponsorship of special programming ventures, fire response and police protection. One of the sources of concern for condominium owners relates to the services that are not received which include garbage pick-up, internal road maintenance and street lighting. Many municipal services received by other types of property ownership are being supplemented through condominium owners who often have their own private security and internally maintained parks. It is acknowledged that these services reduce municipal reliance and, therefore, represent a reduced service level. It must also be acknowledged that some of these services are undertaken voluntarily by condominiums and thus represent no restriction or reduction of benefits. The potential

indirect benefits of condominium property are more thoroughly explained in the next section.

6.4 The Future of Property Taxation in Urban Centres

The effect of property taxation on urban development has long been a topic among planners and associated professionals. As was discussed in Chapters 2 and 3, there is little question that property tax affects development but there is limited consensus as to how this occurs. In Winnipeg for instance, the recent extension of the New Home Buyers program demonstrates how civic administration and political bodies believe that phasing in property tax will encourage new development. The use of property tax programs to influence development provides an interesting opportunity for communities to better shape their growth and development patterns.

In Winnipeg, the use of property tax programs to influence development, specifically in the residential sector, would appear to be in place with the New Home Buyers program and the program providing tax reductions for home improvement. The use of these programs should be of interest and concern for planners. Upon further review, the current tax reduction programs available in Winnipeg do not apply to condominium properties. This represents a situation where tax reduction programs can negatively influence growth and development patterns. Acknowledging that property taxation has the potential to affect urban development characteristics, a thorough examination of the kinds of development patterns should be pursued in order to determine the actual affects of these programs.

The expansion of suburban single family neighbourhoods has long been identified as being detrimental to the urban fabric. One of the key objectives of municipal and provincial governments is to maintain urban densities that represent environmental, economical and social sustainability. Based on the indirect benefit analysis discussed in Chapter 4, the typical high density types of condominiums may offer a form of owner-occupied residential development that is preferable to single family residential development. If tax reduction programs can be used to influence development of new single family residences, it would seem logical that they can also be used to positively influence the growth and redevelopment of higher density forms of residential dwellings.

The use of property tax to influence urban form represents an opportunity for planners and municipal administrations. To date, there appears to be substantial support for this notion but there is limited research on the topic. Support for this new, adapted, use of property tax will require an extensive review of several aspects of municipal management. One key component will require that municipal and provincial governments consider what types of properties and residential dwellings are consuming the majority of municipal services. Based on this, what type of urban form is most desirable. The issues of fairness and equity in the current property tax system provides the motivation and justification required to initiate further research into the feasibility of adapting property taxation.

Many of the problems associated with the current property tax system can be attributed to the traditional urban communities that are dominated by single-family residences. The rapidly changing urban form and urban community demands that municipal governance and taxation change. It is unrealistic to assume that property taxation will ever be fully

replaced. Within this context, it is important for planners to be alert to the need for constant examination of property tax policy. Planners need to ensure that property taxation is being used in a manner that best shapes the future sustainable development in urban settings.

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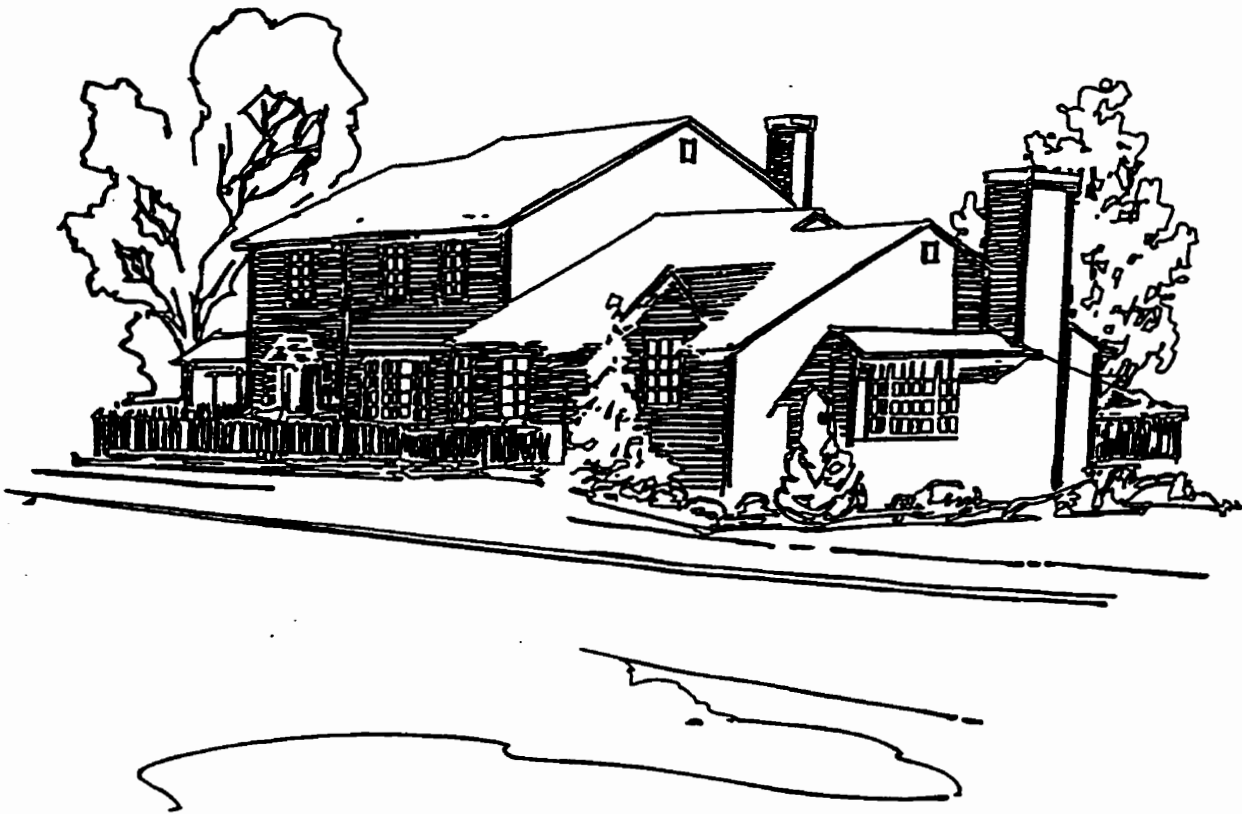
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APPENDIX A
NATIONAL PROPERTY TAX COMPARISON

1997 Property Tax and Utility Charges Survey



THE CITY OF
Edmonton PLANNING AND
DEVELOPMENT

December 1997

1997 Property Tax and Utility Charges Survey

Prepared by:

**Jong Huang
Senior Economist**

**Planning and Development Department
The City of Edmonton
December 1997**

1997 Property Tax and Utility Charges Survey

This report includes new information for Vancouver and revised information on water and sewer charges for Parkland County which are different from the report submitted to Edmonton City Council's Executive Committee on December 3rd, 1997.

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Introduction

The City of Edmonton conducts an annual survey of property tax and utility charges for an average single-family house in major Canadian cities to assess the relative burden on Edmonton property taxpayers. In 1997, a similar survey was conducted for ten other municipalities in the Edmonton Region, as requested by City Council's Property Tax Review Committee.

The average single-family house is defined as a ten- to fifteen-year old, detached three bedroom bungalow with a main floor area of 1,200 square feet, having a one car garage and full basement but no recreation room or fireplace, on a 5,500 square foot lot. This year, the City of Ottawa did not respond to the survey, due to the busy work schedules on their general assessment, while the City of North York did not provide information for the average house. Therefore, these two cities are not included in this report.

The property tax and garbage collection fee information of the 1997 survey was directly provided by seventeen Canadian cities and ten municipalities in the Region. Information on the utility charges was provided by Telus Communication (Edmonton), EPCOR, and the Asset Management and Public Works Department.

This report is divided into two parts. The first part discusses the survey results for the seventeen Canadian cities; the second part deals with the survey results for the ten municipalities in the Edmonton Region.

The original report, which did not include Vancouver, was presented to the Edmonton City Council's Executive Committee for information on December 3, 1997.

Part 1: Canadian Cities Comparison

Residential Property Taxes

- Edmonton's total property tax of \$1,514, including municipal and school taxes for the average single-family house, ranked fifth lowest among the seventeen cities surveyed. St. John's, Newfoundland had the lowest tax levy, while Montreal had the highest (see Chart 1 and Table 1). Edmonton's total tax represents only 83% of the seventeen cities' average tax of \$1,833 and 92% of Calgary's tax of \$1,640.
- If school taxes are excluded, Edmonton's municipal tax of \$778 accounts for only 66% of the seventeen cities' average tax of \$1,178, but is 11% higher than Calgary's tax of \$696.
- Edmonton's average total property tax increase since 1992 was 0.2% per year, lower than the seventeen cities' average of 1.2% (see Chart 2 and Table 2). Edmonton's performance is remarkable, considering Edmonton's population increased by 0.2% a year and consumer prices in Edmonton rose by 1.9% a year over the same period.

Residential Utility Charges

- Edmonton's total utility charge for the average house ranked second highest among the seventeen cities in 1997. Montreal had the lowest total charge and Yellowhead had the highest total charge (see Chart 3 and Table 3). The total utility charge for telephone, power, water, sewer, and garbage collection for a single-detached house in Edmonton, including applicable surcharges, was \$117.69 per month or \$1,412 per year. The average total charge for the seventeen cities was \$103.62 per month or \$1,264 per year. Edmonton's charge is 13.6% higher than the seventeen cities' average.
- Edmonton's charge of \$18.25 per month for a touch-tone telephone was 4.4% lower than the seventeen cities' average of \$19.08. Edmonton's power rate of \$44.64 per month for 500 kWh consumption was 8.7% lower than the seventeen cities' average of \$48.92. However, Edmonton's water rate of \$28.63 and sewer rate of \$21.17 (including surcharge) per month for 23 cubic metres water consumption were 32.7% and 81.9% higher than the seventeen cities' averages of \$21.58 and \$11.64, respectively. Factors affecting higher water and sewer rates in Edmonton include the application of the user pay concept, the higher costs of water and sewage treatment, and the lower financing assistance from other levels of government.

Combined Residential Property Taxes and Utility Charges

- Edmonton's combined charge for total property taxes (including municipal and school taxes) and utilities for the average single-family house was \$2,926 in 1997. This is 5% lower than the seventeen cities' average of \$3,077 and just slightly higher than Calgary's total of \$2,920. Edmonton's combined total property tax and utility charge ranked eighth lowest among the cities. St. John's, Newfoundland had the lowest combined charge, while Yellowhead had the highest (see Chart 4 and Table 4).
- Edmonton's position compares more favourably if only the municipal property tax is considered (that is, excluding school taxes). The combined municipal property tax and utility charges for the Edmonton homeowner amounted to \$2,190 in 1997. This is 9.6% lower than the seventeen cities' average of \$2,422. Medicine Hat had the lowest and Yellowhead had the highest combined charge in this comparison (see Chart 5 and Table 5).

Part 2:

Edmonton Region Comparison

This is the first year a survey was conducted for the municipalities in the Edmonton Region. The survey was requested by City Council's Property Tax Review Committee. Ten municipalities, in addition to the City of Edmonton, were selected for the survey.

1997 Property Tax and Utility Charges Survey

However, the City of St. Alberta declined to participate this year. The following are the survey results.

Residential Property Taxes

- Edmonton's total property tax of \$1,514, including municipal and school taxes for the average single-family house, ranked fourth lowest among the eleven municipalities surveyed. Parkland County had the lowest tax levy, while Spruce Grove had the highest (see Chart 6 and Table 6). Edmonton's total tax represents only 95% of the Region's average tax of \$1,593.
- If school taxes are excluded, Edmonton's municipal tax of \$778 accounts for only 88% of the Region's average tax of \$888.

Residential Utility Charges

- Edmonton's total utility charge for the average house ranked second lowest in the Edmonton Region in 1997. Although Parkland County had the lowest total utility charge, they did not have water and sewer services for the average house. A majority of residences in the County use well water and a septic field system for wastewater. For houses in the new subdivisions of the County where water and sewer services are provided, residences had to pay triple as much as Edmonton's costs. Sherwood Park in Strathcona County had the highest total

utility charge (see Chart 7 and Table 7). The total utility charge for telephone, power, water, sewer, and garbage collection for a single-detached house in Edmonton, including applicable surcharges, was \$117.69 per month or \$1,412 per year. The average total charge for the Edmonton Region was \$120.21 per month or \$1,443 per year. Edmonton's charge was 2.1% lower than the Region's average.

- Edmonton's charge of \$18.25 per month for a touch-tone telephone was 12% lower than the Region's average of \$20.66. Edmonton's power rate of \$44.64 per month for 500 kWh consumption was 14% lower than the Region's average of \$55.21. However, Edmonton's water rate of \$28.63 and sewer rate of \$21.17 (including surcharge) per month for 23 cubic metres water consumption were 10% and 45% higher than the Region's averages of \$25.99 and \$14.55, respectively.

Combined Residential Property Taxes and Utility Charges

- Edmonton's combined charge for total property taxes (including municipal and school taxes) and utilities for the average single-family house was \$2,926 in 1997. This is 3.6% lower than the Region's average of \$3,035. Edmonton's combined total property tax and utility charge ranked second lowest in the Region. Parkland County had the lowest combined charge, while Spruce Grove

1997 Property Tax and Utility Charges Survey

had the highest (see Chart 8 and Table 8).

- Edmonton's position compared more favourably if only the municipal property tax is considered (that is, excluding school taxes). The combined municipal property tax and utility charges for the Edmonton homeowner amounted to \$2,190 in 1997. This is 6% lower than the Region's average of \$2,331. Parkland County had the lowest combined charge, while Morinville had the highest in this comparison (see Chart 9 and Table 9).

Summary

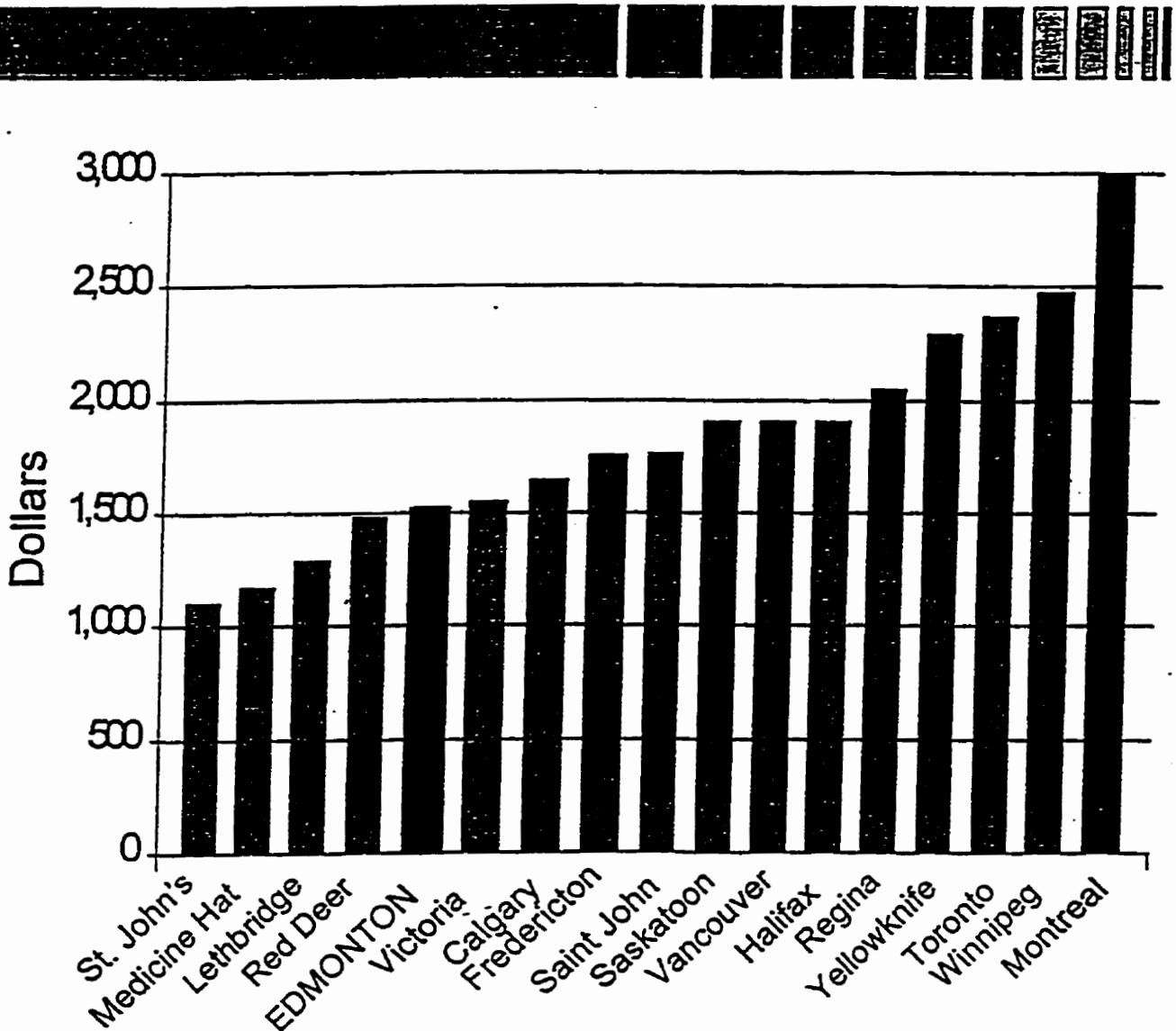
- Edmonton's combined property tax and utility charges for an average single-family house was lower than the average of the seventeen Canadian cities surveyed in 1997. In the Edmonton Region, Edmonton had the second lowest combined property tax and utility charges.
- Edmonton's combined charge of \$2,926 for total property taxes and utilities was 5% lower than the seventeen Canadian cities' average and 3.6% lower than the Edmonton Region's average.
- If school taxes are excluded, Edmonton's total municipal tax and utility charges amounted to \$2,190. This was 9.6% lower than the seventeen cities' average and 6% lower than the Edmonton Region's average.

- Edmonton's total property tax of \$1,514 for the single-family house was 17% lower than the Canadian cities' average tax, 5% lower than the Edmonton Region's average tax, and 8% lower than Calgary's tax.
- Edmonton's total annual utility charge of \$1,412 ranked the second highest among the Canadian cities and was 13.6% higher than the seventeen cities' average, mainly because Edmonton had the highest water and sewer service charges. However, Edmonton's total utility charge was 2.1% lower than the Edmonton Region's average charge.

Remarks

- It is inappropriate to use property tax information contained in this report to compare management efficiency among local governments. Property tax differences among local governments are attributable to many factors, such as the structure and sources of local government's operating revenues, the levels and costs of services provided, the use of split mill rates, different ways for financing local improvements, and the extent of application of the user pay approach. However, property tax differences are a useful measurement of the comparative tax burden.

Chart 1: Total Property Tax for a Single-Family House in 1997 - Canadian Cities



Prepared by: City of Edmonton, Planning and Development Department, Revised December 1997

Note: Figures include municipal, regional and school taxes, net of portion of homeowner grants if applicable.

1997 Property Tax and Utility Charges Survey

Table 1
Comparative Property Tax Levy on a Sample House in 1997 [1]
(dollors)

City	Property Tax Levy				Homeowner Grants or Credits	Net Property Tax Levy (After Grants)	Rank
	Municipal	School	Other	Total			
EDMONTON	778	736	0	1,514	0	1,514	5
Calgary	696	944	0	1,640	0	1,640	7
Red Deer	711	776	0	1,487	0	1,487	4
Medicine Hat	509	663	0	1,172	0	1,172	2
Lethbridge	643	649	0	1,292	0	1,292	3
Vancouver [4]	1,111	1,091	176	2,378	470 [2]	1,908	11
Victoria	1,050	740	234	2,024	470 [2]	1,554	6
Regina	919	1,034	98	2,051	0	2,051	13
Saskatoon	751	1,058	92	1,901	0	1,901	10
Winnipeg	1,479	1,252	0	2,731	250	2,481	16
Montreal	2,700	290	0	2,990	0	2,990	17
Toronto	419	1,311	637	2,367	0	2,367	15
Halifax	1,582	137	189	1,908	0	1,908	12
Saint John	1,738	0	1,672	3,410	1,650 [3]	1,760	9
Fredericton	1,727	0	1,976	3,703	1,950 [3]	1,753	8
St. John's	1,100	0	0	1,100	0	1,100	1
Yellowknife	1,330	961	0	2,291	0	2,291	14

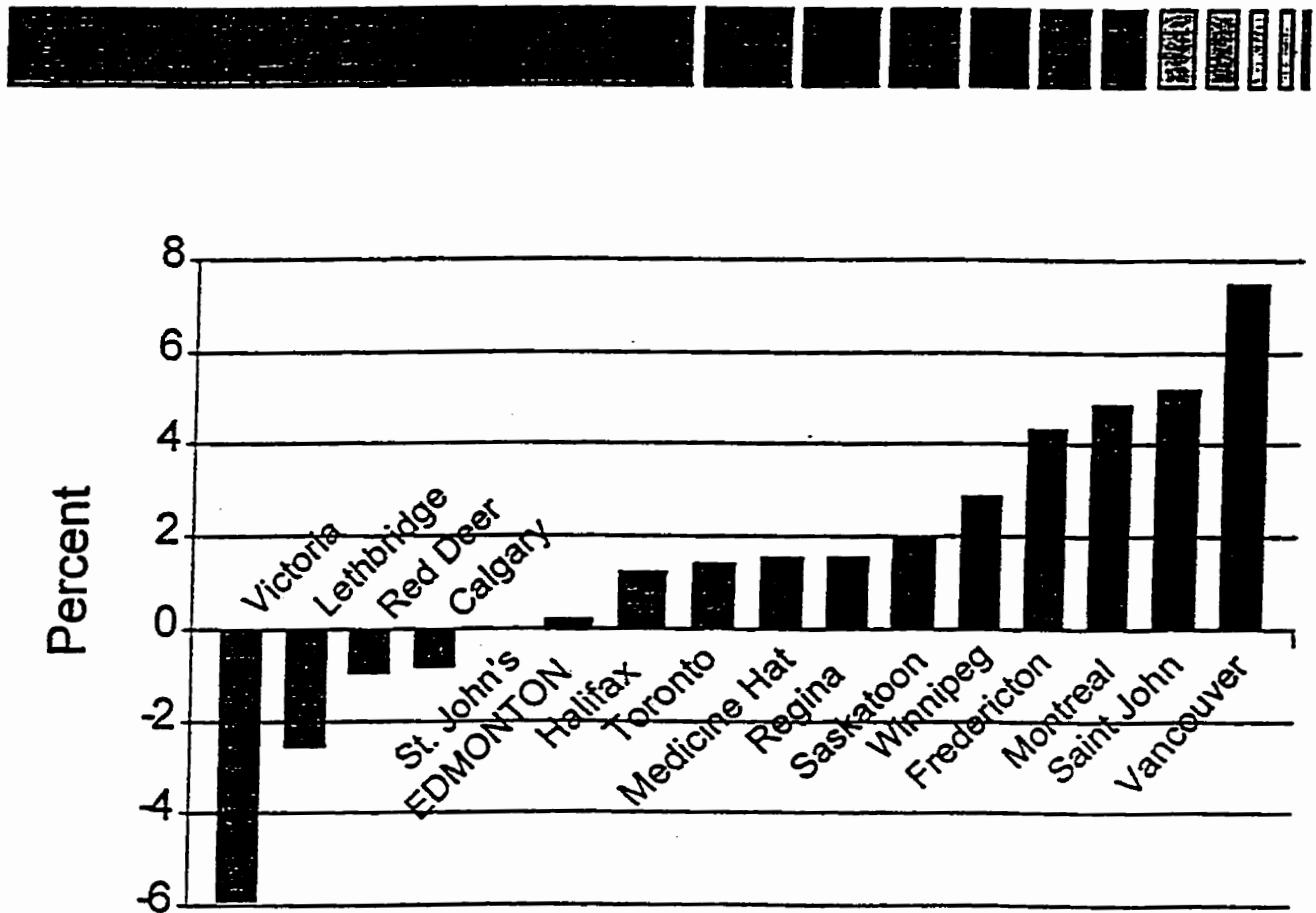
Prepared by: The City of Edmonton, Planning and Development Department, Planning Services Branch.

Revised December 1997.

Notes:

1. The sample house is defined as a ten- to fifteen-year-old detached three bedroom bungalow with a main floor area of 1,200 square feet, full basement but no recreation room or fireplace, one car garage, on a 5,500 square foot lot.
2. Grant is \$470 for homeowners with age 64 years or under and \$745 for senior citizens or handicapped.
3. Provincial government homeowners grant for owner occupied dwellings
4. Based on a median value single-family house which may not correspond to the sample house described above.

Chart 2: Average Annual Property Tax Increase 1992-1997



Prepared by: The City of Edmonton, Planning and Development Department.
Revised December 1997

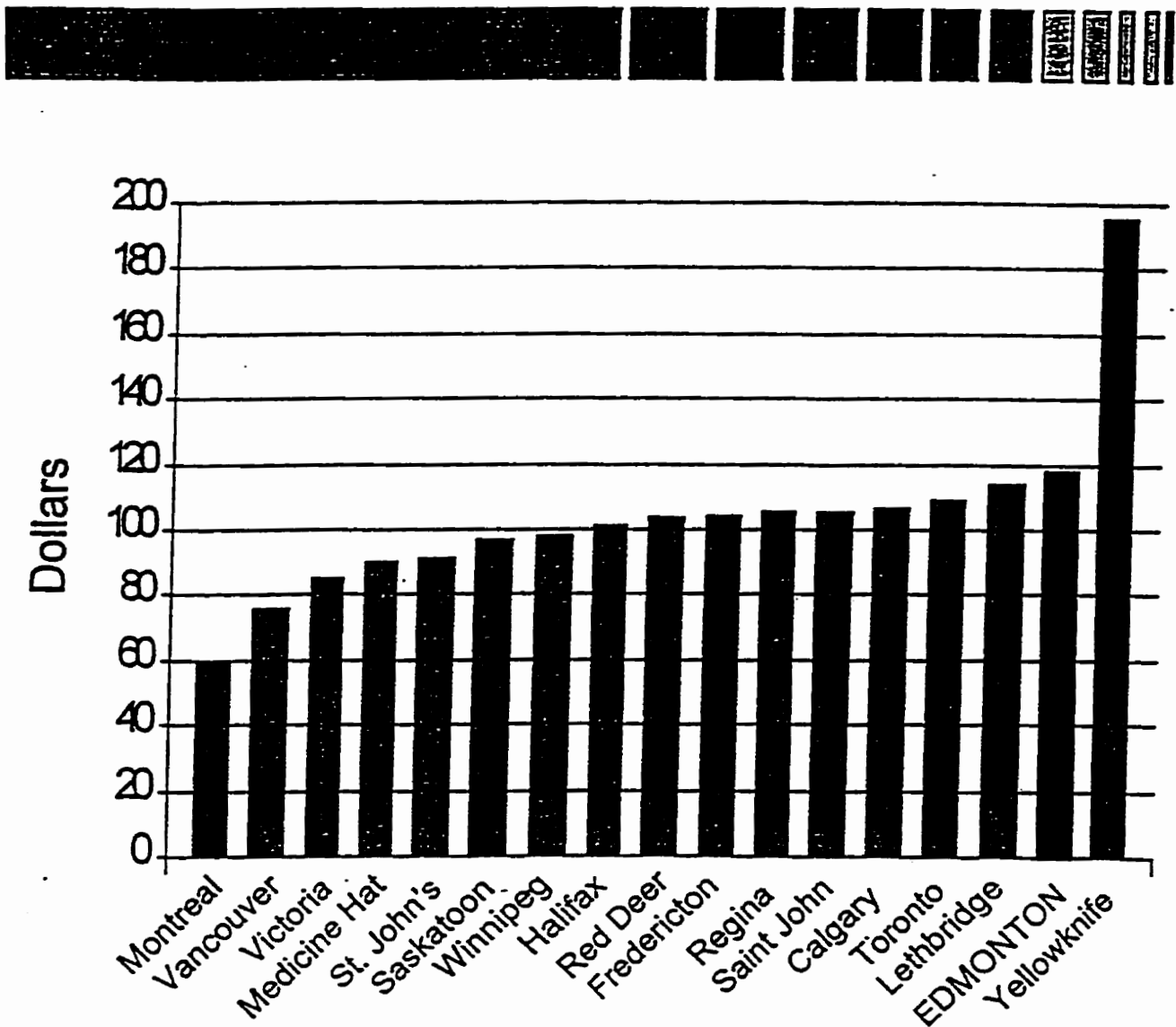
Table 2
Average Annual Property Tax Increase
1992 - 1997

City	Property Tax Levy		Average Annual Increase (%)	Rank
	1992 (\$)	1997 (\$)		
EDMONTON	1,501	1,514	0.17	6
Calgary	1,711	1,640	(0.84)	4
Red Deer	1,563	1,487	(0.99)	3
Medicine Hat	1,086	1,172	1.54	9
Lethbridge	1,470	1,292	(2.55)	2
Vancouver	1,327	1,908	7.53	16
Victoria	2,108	1,554	(5.92)	1
Regina	1,898	2,051	1.56	10
Saskatoon	1,723	1,901	1.99	11
Winnipeg	2,153	2,481	2.88	12
Montreal	2,353	2,990	4.91	14
Toronto	2,209	2,367	1.39	8
Halifax	1,795	1,908	1.23	7
Saint John	1,366	1,760	5.20	15
Fredericton	1,418	1,753	4.33	13
St. John's	1,100	1,100	0.00	5
16 City Average	1,674	1,805	1.52	--

Prepared by: The City of Edmonton, Planning and Development Department, Planning Services Branch.
 Revised December 1997

Note: Percent increases are for net property tax levy on the sample house as defined in Table 1.

Chart 3: Total Monthly Utility Charge
for a Single-Family House in 1997 -
Canadian Cities



Prepared by: The City of Edmonton, Planning and Development Department. Revised December 1997
Note: Figures include charges for telephone, power, water, sewer and garbage collection.

1997 Property Tax and Utility Charges Survey

Table 3
Average Monthly Utility Charges for a Single-Family House
Selected Canadian Cities
(as of September, 1997)
(dollars)

City	Telephone [1]	Power [2]	Water [3]	Sewer [3]	Garbage	Total	Rank
EDMONTON	18.25	44.64	28.63	21.17	5.00	117.69	16
Calgary	20.90	42.23	25.78	17.79	-	106.70	13
Red Deer	20.90	43.42	18.13	14.78	6.37	103.60	9
Medicine Hat	20.90	36.43	14.29	12.30	6.20	90.12	4
Lethbridge	20.90	45.64	25.95	19.74	1.80	114.03	15
Vancouver	21.25	36.60	18.17	0.00	-	76.02	2
Victoria	16.00	36.60	11.75	9.54	11.33	85.22	3
Regina	15.35	55.01	19.95	15.32	-	105.63	11
Saskatoon	15.35	55.01	16.20	10.07	-	96.63	6
Winnipeg	16.40	37.84	21.09	23.00	-	98.33	7
Montreal	20.25	39.71	0.00 [5]	0.00 [5]	-	59.96	1
Toronto	21.30	55.00	20.01	13.08	-	109.39	14
Halifax	23.00	57.58	14.70	6.17	-	101.45	8
Saint John	20.00	50.72	17.28	17.82	-	105.82	12
Fredericton	20.00	48.98	17.91	17.14	-	104.03	10
St. John's	17.45	57.86	15.83	0.00 [5]	-	91.14	5
Yellowknife	16.23	88.30	81.26 [4]	0.00 [4]	10.00	195.79	17
17 City Average	19.08	48.92	21.58	11.64	2.39	103.62	-

Prepared by: The City of Edmonton, Planning and Development Department, Planning Services Branch.
 Revised December 1997.

Sources: Edmonton Power, Telus Communication (Edmonton), Aqualta, and Asset Management & Public Works Dept.

Notes: (1) For a touch-tone phone.

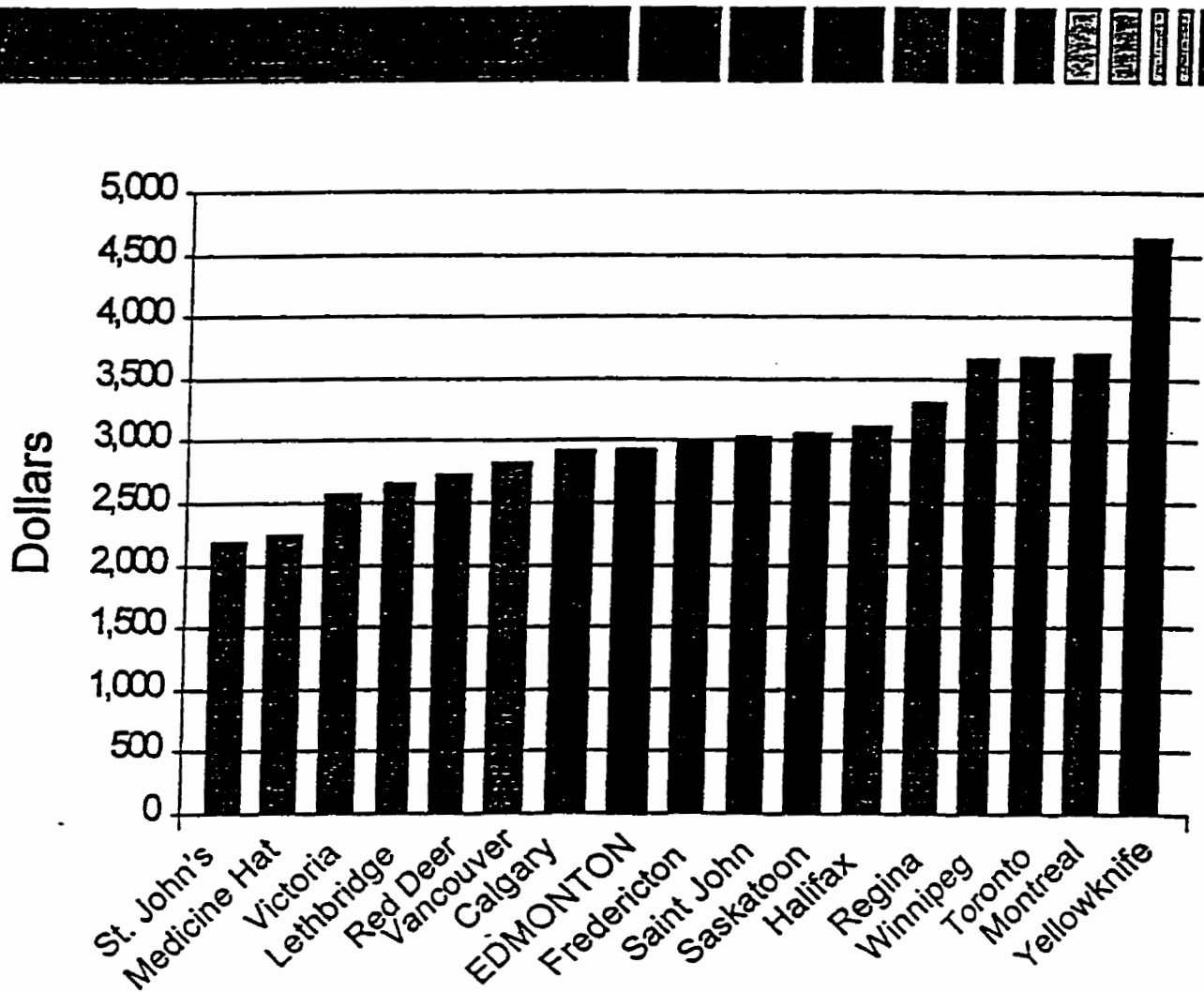
(2) Based on 500 KWH/month power consumption; power rates shown include GST.

(3) Based on 23 cubic meter/month water consumption, except Saint John and St. John's where a flat fee is used.

(4) Includes sewer charge and \$3.00 for insurance.

(5) Financed through property tax.

Chart 4: Combined Total Property Tax and Utility Charges for a Single-Family House in 1997 - Canadian Cities



Prepared by: City of Edmonton, Planning and Development Department. Revised December 1997

Note: Total property tax includes municipal, regional and school taxes, but are net of homeowner grants or credits if applicable

1997 Property Tax and Utility Charges Survey

Table 4
Annual Total Property Tax and Utility Charges
for a Single-Family House in 1997 - Canadian Cities
(dollors)

City	Total (1) Property Tax	Utility (2) Charges	Total	Rank
EDMONTON	1,514	1,412	2,926	8
Calgary	1,640	1,280	2,920	7
Red Deer	1,487	1,243	2,730	5
Medicine Hat	1,172	1,081	2,253	2
Lethbridge	1,292	1,368	2,660	4
Vancouver	1,908	912	2,820	6
Victoria	1,554	1,023	2,577	3
Regina	2,051	1,268	3,319	13
Saskatoon	1,901	1,160	3,061	11
Winnipeg	2,481	1,180	3,661	14
Montreal	2,990	720	3,710	16
Toronto	2,367	1,313	3,680	15
Halifax	1,908	1,217	3,125	12
Saint John	1,760	1,270	3,030	10
Fredericton	1,753	1,248	3,001	9
St. John's	1,100	1,094	2,194	1
Yellowknife	2,291	2,349	4,640	17
17 City Average	1,833	1,243	3,077	-

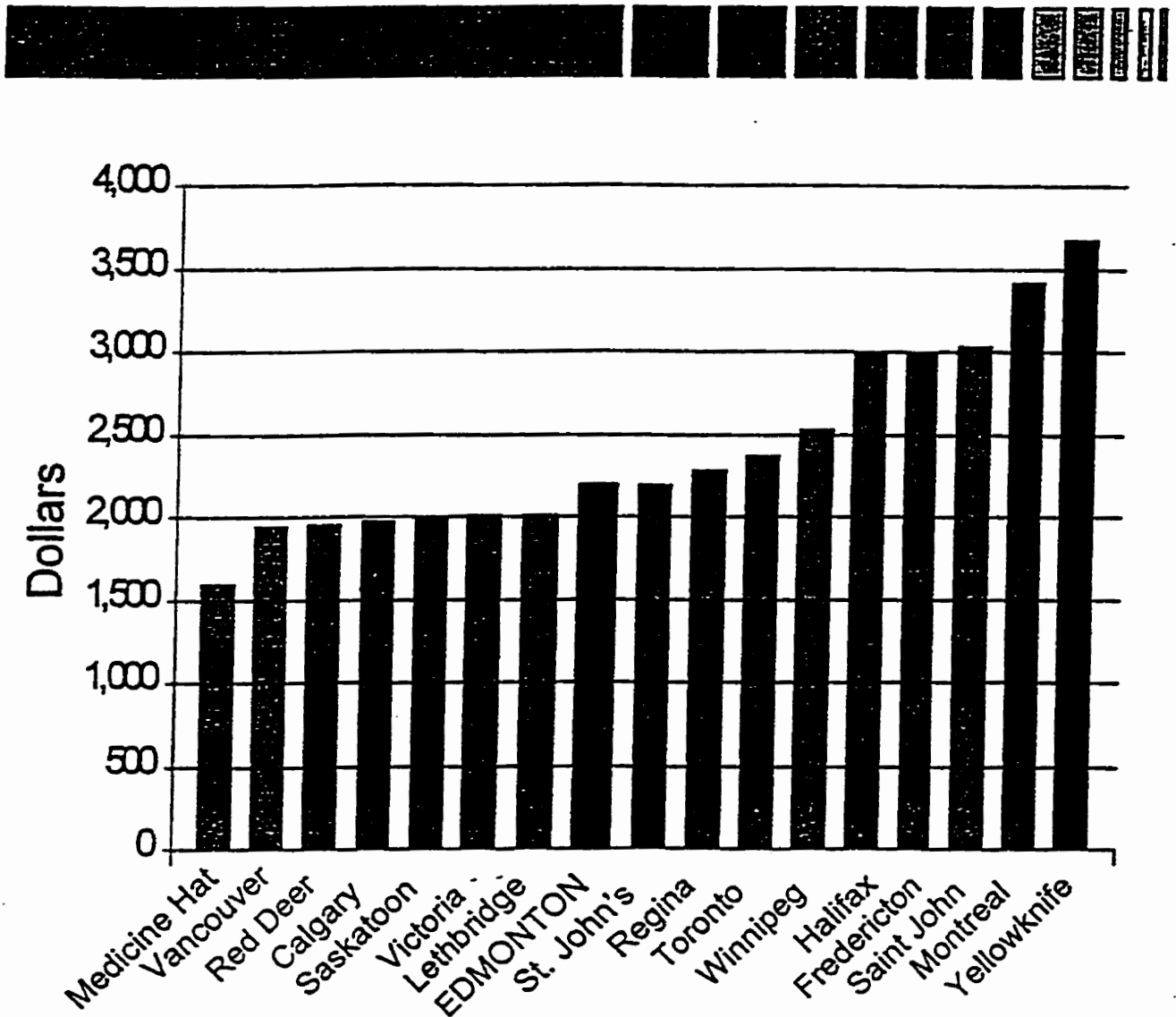
Prepared by: The City of Edmonton, Planning and Development Department, Planning Services Branch.
 Revised December 1997

Notes: (1) Property tax shown includes municipal, regional and school taxes, but is net of homeowner grants or credits.

(2) Utility charges include telephones, power, water, sewers and garbage collection.

Utility charges also include surcharges for water mains and sewer upgrading where applicable.

Chart 5: Combined Municipal Property Tax and Utility Charges for a Single-Family House in 1997 - Canadian Cities



Prepared by: City of Edmonton, Planning and Development Department, Revised December 1997

Note: Property taxes include both municipal and regional taxes, but exclude school taxes and net of homeowner grants if applicable

1997 Property Tax and Utility Charges Survey

Table 5
Annual Municipal Property Tax and Utility Charges
for a Single-Family House in 1997 - Canadian Cities
(dollors)

City	Municipal (1) Property Tax	Utility (2) Charges	Total	Rank
EDMONTON	778	1,412	2,190	8
Calgary	696	1,280	1,976	4
Red Deer	711	1,243	1,954	3
Medicine Hat	509	1,081	1,590	1
Lethbridge	643	1,368	2,011	7
Vancouver	1,033	912	1,945	2
Victoria	985	1,023	2,008	6
Regina	1,017	1,268	2,285	10
Saskatoon	843	1,160	2,003	5
Winnipeg	1,344	1,180	2,524	12
Montreal	2,700	720	3,420	16
Toronto	1,056	1,313	2,369	11
Halifax	1,771	1,217	2,988	13
Saint John	1,760	1,270	3,030	15
Fredericton	1,753	1,248	3,001	14
St. John's	1,100	1,094	2,194	9
Yellowknife	1,330	2,349	3,679	17
17 City Average	1,178	1,243	2,422	-

Prepared by: The City of Edmonton, Planning and Development Department, Planning Services Branch.
 Revised December 1997

Notes: (1) Property tax shown excludes school taxes and is net of homeowner grants or credits.

(2) Utility charges include telephones, power, water, sewer and garbage collection.

Utility charges also include surcharges for water mains and sewer upgrading where applicable.

APPENDIX B

MUNICIPAL ASSISTANCE PROGRAM: NEW HOME PURCHASES

THE CITY OF WINNIPEG

BY-LAW NO. 7230/98

A By-law of THE CITY OF WINNIPEG to establish a program of property tax assistance credits in the year 1998 to encourage and assist in the renovation of residential premises in the City of Winnipeg.

WHEREAS Section 138.1 of *The City of Winnipeg Act* provides as follows:

By-law re home renovation tax credit program

138.1(1) The council may by by-law establish a program of property tax credits to encourage and assist in the renovation of residential premises, and any such by-law shall include provisions

- (a) prescribing types or classes of premises eligible for tax credits, which types or classes may be based on the age, assessed value or occupancy of eligible premises, or other criteria;
- (b) prescribing the types of renovations and costs associated with renovations eligible for tax credits;
- (c) establishing terms and conditions under which tax credits may be provided and terminated;
- (d) respecting the amounts of tax credits, including the maximum annual tax credit for each premises and the period of time in which a tax credit may be applied to taxes; and
- (e) respecting any other matter that the council considers necessary or advisable.

Review of program in fifth year

138.1(2) A by-law passed under subsection (1) expires five years after the day it is passed unless the council, in the fifth year, reviews the program and approves continuation of the by-law.

AND WHEREAS Council desires to establish a program of property tax credits to encourage and assist in the renovation of residential premises in the City of Winnipeg;

NOW THEREFORE THE CITY OF WINNIPEG, in Council assembled, enacts as follows:

1. This by-law shall be referred to as the "1998 Home Renovation Tax Assistance Program By-law".

2. In this by-law,

"building permit" means a permit granted under The Winnipeg Electrical By-law or The Winnipeg Building By-law;

"child" means a natural, adopted or step-child;

"designated officer" means a person designated in writing by the Chief Administrative Officer;

"immediate family member of the eligible homeowner" means an eligible homeowner's spouse, parent, child, sibling, parent's parent, parent's sibling, child's spouse, sibling's spouse, child's child, sibling's child, spouse's parent, spouse's sibling, or spouse's sibling's child;

"parent" means a natural, adoptive or step-parent;

"residential unit" means:

(a) a building that is used solely as a dwelling unit for residential occupation, other than:

(i) a mobile home located in a mobile home park or not constructed on a permanent foundation;

(ii) a building that is used wholly or partly as a hotel, motel, tourist camp, apartment hotel or other transient accommodation;

(iii) a building that is used as a nursing home or personal care home; and

(iv) a building that contains more than one dwelling unit;

or

(b) a condominium unit that is used solely as a single dwelling unit for residential occupation, but not including the common elements of a condominium plan;

“sibling” means a natural, adoptive or step-sibling;

“spouse” means:

- (i) a person who is legally married to an eligible homeowner; or
- (ii) a person publicly represented by the eligible homeowner of the opposite sex as the spouse of that eligible homeowner.

3. The object of this by-law is to provide an economic incentive for the home renovation industry, to reduce the perception that property owners are penalized for improving their properties and to encourage property owners to take out building permits thereby promoting the quality of construction in meeting applicable building, electrical and plumbing codes.

4. Annual tax assistance shall be provided to the owners of eligible residential units, as set out in this by-law.

5. To be an eligible homeowner, a person must meet one of the following requirements at the time of the application and at all times until the eligible renovation is completed:

- (a) the person must be the registered owner of the residential unit;
- (b) the person is entitled to be registered as the owner of the land on which the residential unit is situated pursuant to *the Veterans' Land Act* (Canada);
- (c) the person is a lessee or permittee of the land on which the residential unit is situated under a lease or permit from the Crown; or
- (d) the person is someone other than the owner of the residential unit who is able to show long-term uninterrupted occupancy of the residential unit and who does not pay rent;

and must occupy the residential unit on a year-round basis as his or her principal residence at the time of the application and at all times until the eligible renovation

is completed.

6. Subject to section 7, the following are eligible renovations:

- (a) renovating any part of a residential unit that is used or will be capable of being used as year-round living space, such as
 - (i) renovating a kitchen,
 - (ii) renovating a bathroom, including the purchase and installation of sinks, tubs and vanities, and
 - (iii) finishing an unfinished basement;
- (b) building an addition to a residential unit if the addition will be capable of being used as year-round living space;
- (c) installing, repairing or upgrading a primary heating system, a plumbing system, an electrical system or a ventilation system, but not including an air conditioner or air exchanger;
- (d) insulating walls or attics;
- (e) reinforcing or repairing a foundation or basement, or repairing or replacing weeping tile or other parts of the basement, including related excavation and landscaping;
- (f) installing or repairing exterior sheathing;
- (g) installing or repairing roofing, shingling, soffits, fascia or eavestroughing;
- (h) installing or repairing doors or windows, excluding skylight windows;
- (i) installing, repairing or upgrading a water or sewer system, including related excavation and landscaping;
- (j) modifying a residential unit to accommodate a disabled person;
- (k) renovating for reasons of safety or occupant health;

(l) repairing or renovating a residential unit or a part of a residential unit to ensure or maintain compliance with The Maintenance and Occupancy By-law of THE CITY OF WINNIPEG;

(m) constructing or repairing a deck, verandah or garage;

(n) constructing or repairing an adjunct or accessory building such as a greenhouse, gazebo or sunroom.

7. The following are not eligible renovations:

(a) building or repairing a fence, driveway, patio or sidewalk unless

(i) the building or repairing is necessary to ensure or maintain the structural integrity of the residential unit or to ensure or maintain compliance with any by-law of the City, or

(ii) in the case of a repair, a safety or occupant health risk will exist if the repair is not carried out;

(b) building, installing or repairing a play structure or swings;

(c) building, installing or repairing a swimming pool;

(d) landscaping, except

(i) landscaping that is eligible under section 6, or

(ii) if the landscaping is necessary to ensure or maintain the structural integrity of the residential unit or to ensure or maintain compliance with any by-law of the City;

(e) interior decorating, including the cost of purchasing and installing wallpaper, blinds and drapes;

(f) interior or exterior painting, except

(i) painting that is part of a renovation or addition described in clauses 6(a) or (b),

(ii) to ensure or maintain the structural integrity of the residential

unit or to ensure or maintain compliance with any by-law of the City,
or

(iii) if a safety or occupant health risk will exist if the painting is not carried out;

(g) purchasing, installing or repairing floor covering, except

(i) as part of a renovation or addition described in clauses 6(a) or (b),

(ii) to ensure or maintain the structural integrity of the residential unit or to ensure or maintain compliance with any by-law of the City,
or

(iii) if a safety or occupant health risk will exist if the purchasing, installing or repairing is not carried out;

(h) purchasing, installing or repairing any of the following:

(i) a household appliance, whether it is built-in or free standing;

(ii) skylight windows;

(iii) a fireplace;

(iv) a hot tub, spa or jacuzzi;

(v) a secondary heating unit unless the unit is permanently installed as the primary heating source in a new living space;

(vi) a heat pump, unless it is a primary heating source;

(vii) an air conditioner, an air exchanger or a back-up generator;

(viii) an air purification system, unless a safety or occupant health risk will exist if the air purification system is not installed or repaired or to ensure or maintain compliance with any by-law of the City;

(ix) a security system;

- (x) a radio or television antenna or a satellite dish;
 - (xi) a lawn sprinkler system;
 - (xii) awnings or other exterior window coverings;
 - (xiii) any equipment or other thing that is not permanently affixed to a residential unit;
- (i) any modification to a residential unit to permit a non-residential use;
 - (j) any modification to a residential unit to permit a multi-family use; and
 - (k) repairing a residential unit or part of a residential unit which has been damaged by fire, flood or other insurable risk.
8. To be an eligible residential unit,
- (a) a residential unit must be owned by an eligible homeowner under section 5;
 - (b) a residential unit must have been built before January 1, 1981; and
 - (c) a residential unit and the land on which it is situated has an assessed value as defined in subsection 1(1) of *The Municipal Assessment Act* not exceeding \$100,000 for the year in which the application is made.
9. Subject to sections 10, 11 and 17, applications for home renovation tax assistance may be made in the year 1998 and a tax credit given pursuant to this by-law shall be provided on the annual tax levy following the completion of the eligible renovation and on the annual tax levies for the following two years.
10. In order for a tax credit to be provided:
- (a) the eligible homeowner must make application for home renovation tax assistance in a form determined by the designated officer and shall provide any information, documentation or verification that the designated officer may require, including a building permit;
 - (b) the eligible renovation must be commenced after an application for

tax assistance has been made pursuant to this by-law;

(c) the eligible renovation must be commenced after February 28, 1998;

(d) the eligible renovation must be completed within 12 months of the date of the application for tax assistance;

(e) the eligible homeowner must submit proof of the completion of the eligible renovation and must submit invoices for the amount expended for the eligible renovation with proof of payment;

(f) the eligible homeowner must allow the designated officer or his designate a reasonable opportunity to inspect the completed eligible renovation; and

(g) the eligible homeowner must provide such information, documentation or verification as the designated officer may require from time to time to confirm continuing eligibility.

11(1). Subject to subsection (2), the annual tax credit shall be equivalent to 5% of the amount expended for eligible renovations to a maximum annual tax credit of \$500 per eligible residential unit.

11(2). The total amount of tax assistance provided by the City of Winnipeg under this and any other Home Renovation Tax Assistance Program shall not exceed \$1,500.00 per eligible residential unit in any consecutive five year period.

11(3). In this section, "other Home Renovation Tax Assistance Program" includes City of Winnipeg By-law Nos. 6544/94, 6927/96, 6930/96 and 7137/97.

12. Subject to section 13, the following costs will be included in calculating the amount expended for eligible renovations:

(a) materials;

(b) contractor labour;

(c) retail sales tax;

(d) goods and services tax;

- (e) drafting plans;
- (f) architectural plans;
- (g) applicable permit fees; and
- (h) legal and inspection fees.

13. Notwithstanding clause 12(b), the cost or value of labour that is carried out by the eligible homeowner or an immediate family member of the eligible homeowner will not be included in the calculation of the amount expended for eligible renovations.

14. Notwithstanding section 9, a tax credit will be terminated in the year following the occurrence of any of the following events:

- (a) the eligible residential unit ceases to be occupied by a person who meets any of the requirements of clauses 5(a), (b), (c) or (d);
- (b) the eligible residential unit is demolished;
- (c) more than 50% of the eligible residential unit requires replacement as a result of fire, flood or other insurable damage;
- (d) the eligible residential unit ceases to be occupied solely for residential purposes; or
- (e) the eligible residential unit ceases to be a residential unit.

15. A tax credit provided pursuant to this by-law does not terminate simply by reason of the sale of the eligible residential unit.

16. The determination of:

- (a) whether a person is an eligible homeowner under section 5;
- (b) whether a renovation is an eligible renovation under sections 6 and 7;
- (c) whether a residential unit is an eligible residential unit under section 8;

(d) whether a cost is included in calculating the amount expended for eligible renovations under sections 12 and 13; and

(e) whether an event causing a termination of a tax credit has occurred under section 14;

shall be made by the designated officer.

17. The designated officer may establish an annual date, which shall not be earlier than February 20th in any year, as the latest date that all required proof of completion of eligible renovations must be received in order for a tax assistance credit to be applied to the annual tax levy for that year. Where the eligible homeowner provides any of the information or documentation required under section 10 after the date established by the designated officer, the tax assistance credits shall be applied to the annual tax levy for the next following three consecutive years.

18. Any eligible homeowner or applicant who is aggrieved by a decision of the designated officer made under section 16 may, within 15 days of the date of the decision, appeal from that decision to the Standing Policy Committee on Property and Development by filing a written notice of appeal with the City Clerk or the designated officer, which states the grounds for the appeal.

19. The Committee shall fix a time and a place for a meeting to consider the appeal and cause not less than 15 days notice of the meeting to be provided by mail on the appellant at the address of the residential unit as specified in the application.

20. The notice under section 19 shall inform the appellant that he or she may appear at the meeting and make such representation as he or she desires and that in the event that he or she does not appear at the meeting, a decision may be made by the Committee in his or her absence.

21. On the day and at the time and place stated in the notice, the Committee shall conduct the meeting and receive representations from the appellant and the designated officer and any other person deemed appropriate by the Committee.

22. The meeting may be adjourned from time to time and may be resumed at such time and place as the Committee may decide.

23. The Committee, after conducting the meeting, may:

(a) rescind, modify or confirm any decision made by the designated

officer;

(b) make such other decision as in the circumstances of each case it deems just;

and the decision of the Committee, upon being communicated to the appellant shall be final for all purposes under this by-law.

24. The City Clerk shall cause a copy of the Committee's decision to be mailed to the appellant and to any other person who made representation to the Committee.

25. Notwithstanding any provision of this by-law, applications made in 1998 under By-law No. 7137/97 in relation to eligible renovations commenced after February 28, 1998 shall be deemed to have been made under this by-law.

26. This by-law takes effect on the day it is passed and shall expire five years after that day unless, in the fifth year, it is reviewed and extended by Council.

DONE AND PASSED, in Council assembled, this ²⁷ day of May, 1998.

(Sgd) Susan A. Thompson

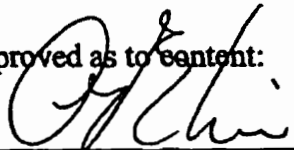
Mayor

(SEAL)

(Sgd) Dorothy Browton

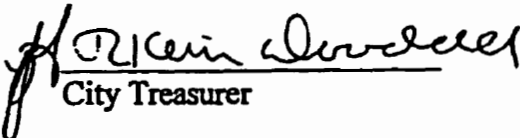
City Clerk

Approved as to content:



for Director of Property and
Development Services

Approved as to financial
details:



City Treasurer

Certified as to form:



City Solicitor

REFERENCE: FILE NO. GG-2 (Vol. 23) & FL (Vol. 5)

THE CITY OF WINNIPEG

BY-LAW NO. 7199/98

A By-law of THE CITY OF WINNIPEG to establish a program of property tax credits or refunds to encourage and to assist in the construction or purchase of new dwellings.

WHEREAS Section 138.3 of *The City of Winnipeg Act* provides as follows:

By-laws re new home grants, credits or refunds to property owners

138.3(1) The council may by by-law establish a program of grants, property tax credits or refunds to encourage and assist in the construction or purchase of new dwellings, and any such by-law shall include provisions

- (a) prescribing types or classes of premises eligible for a grant, tax credit or refund;**
- (b) establishing terms and conditions under which a grant, tax credit or refund may be provided or terminated;**
- (c) establishing criteria for determining
 - (i) the amount of a grant, tax credit or refund,**
 - (ii) the maximum annual grant, tax credit or refund, and**
 - (iii) the period of time in which a grant, tax credit or refund may be paid out to an owner or applied to taxes;****
- (d) respecting eligibility criteria for recipients of grants, tax credits or refunds; and**
- (e) respecting any other matter that the council considers necessary or advisable.**

Review of program in fifth year

138.3(2) A by-law passed under subsection (1) expires five years after the day it is passed unless the council, in the fifth year, reviews the program and approves continuation of the by-law.

NOW THEREFORE THE CITY OF WINNIPEG, in Council assembled, enacts as follows:

1. In this by-law,

“Director of Corporate Finance” means the Director of the Corporate Finance Department or his designate;

“Committee” means the Executive Policy Committee;

“Chief Administrative Officer” means the Chief Administrative Officer of the City or their designate;

“infill development” means construction of a dwelling on land which:

- (a) is within a Neighbourhood or Downtown Policy Area as designated in Plate “A” of Plan Winnipeg;
- (b) is contiguous to an existing residential neighbourhood; and,
- (c) previously contained a housing, commercial, institutional or industrial development;

“new development” means construction of a dwelling which is not infill development;

“municipal taxes” means the amount of all general taxes payable in the taxation year with the exclusion of all school taxes, local improvement levies, arrears, penalties and any other amounts added for the recovery of a debt pursuant to statutory authority and after the application of such portion of any phase-in credit or debit applicable to only the general taxes amount which remains after having accounted for all exclusions and any other tax credit provided under a by-law of the City of Winnipeg, but prior to the

allowance of the realty tax credit for premises serviced by neither water nor sewer and the Manitoba Resident Home Owner Tax Assistance deduction;

2. A tax credit shall be applied to the municipal taxes with respect to property which meets all of the following requirements:

- (a) the property must be classified as Residential 1 pursuant to the Classification of Property Regulation made pursuant to *The Municipal Assessment Act*;
- (b) the property must contain a newly constructed single family detached dwelling which is wholly occupied by one or more of the registered owners of the property, as the registered owner's home and principal residence;
- (c) registered ownership of the property must be held by a person who is the first person to occupy the property as a home and principal residence and who after March 26, 1997 but not later than March 25, 1999 has:
 - (i) become or become entitled to be a registered owner of the property, as a result of having purchased the newly constructed dwelling on the property from a developer or builder or having constructed the new dwelling on the property;
 - (ii) obtained possession of the property; and
 - (iii) commenced actual occupation of the whole of the property as the person's home and principal residence;

except that in the event that the registered ownership of the property is held concurrently by more than one person, at least one of the registered owners must be the first person to occupy the property as a home and principal residence and must after March 26, 1997 but not later than March 25, 1999 meet the requirements of subclauses (c)(i), (ii) and (iii).

3. Notwithstanding Section 2 of this by-law, a tax credit shall not be applied to the municipal taxes with respect to any of the following properties:

- (a) a mobile home located in a mobile home park or not constructed on a permanent foundation;
- (b) a building that is used wholly or partly as a hotel, motel, tourist camp, apartment hotel or other transient accommodation;
- (c) a building that is used as a nursing home or personal care home; or
- (d) a building that is a duplex.

4. In order for a tax credit to be provided, each and every person eligible under section 2 must collectively

- (a) make application for the tax credit not more than 60 days after the date of having commenced actual occupation in a form determined by the Director of Corporate Finance and provide all information and documentation that the Director of Corporate Finance may require, including a certified status of title and a copy of the offer to purchase confirming the date of possession;
- (b) as and when requested by the Director of Corporate Finance, provide in a form determined by the Director of Corporate Finance written periodic confirmation of entitlement to a tax credit and provide all information and documentation that the Director of Corporate Finance may require; and
- (c) certify that the information and documentation given is true and accurate.

5. The term of the tax credit program created by this by-law shall be for a total of thirty-six consecutive months, divided into three equal consecutive periods of twelve months each, with the first period commencing on the day occurring after March 26, 1998 but not later than March 25, 1999 on which the property first meets all of the requirements provided for in section 2.

6. Subject to section 10, where a property eligible under section 2 is infill development, the amount of the tax credit which may be applied to the municipal

taxes with respect to the property during the term of the tax credit program shall be calculated as follows:

- (a) for the first period, the sum of the following two amounts:
 - (i) an amount equal to 100% of the product of the municipal taxes with respect to the property for the taxation year in which the first period commenced multiplied by a fraction whereby the numerator is the number of days in said taxation year which are also days within the first period and the denominator is the total number of days in said taxation year, provided that such amount does not exceed the maximum tax credit allowable for the first period which is \$2,000.00, and in such event the amount of \$2,000; and
 - (ii) in the event that the amount calculated in subclause (i) is less than \$2,000, an additional amount equal to 100% of the product of the municipal taxes with respect to the property for the taxation year in which the first period ended multiplied by a fraction whereby the numerator is the number of days in said taxation year which are also days within the first period and the denominator is the total number of days in said taxation year, provided that such amount is not greater than the difference of \$2,000 less the amount determined by subclause (i), and in such event the amount of said difference;

and;

- (b) for the second period, the sum of the following two amounts:
 - (i) an amount equal to 100% of the product of the municipal taxes with respect to the property for the taxation year in which the second period commenced multiplied by a fraction whereby the numerator is the number of days in said taxation year which are also days within the second period and the denominator is the total number of days in said taxation year, provided that such amount does not exceed the maximum tax credit allowable for the second period which is \$2,000.00, and in such event the amount of \$2,000; and
 - (ii) in the event that the amount calculated in subclause (i) is less than \$2,000, an additional amount equal to 100% of the

product of the municipal taxes with respect to the property for the taxation year in which the second period ended multiplied by a fraction whereby the numerator is the number of days in said taxation year which are also days within the second period and the denominator is the total number of days in said taxation year, provided that such amount is not greater than the difference of \$2,000 less the amount determined by subclause (i), and in such event the amount of said difference;

and;

- (c) for the third period, the sum of the following two amounts:
 - (i) an amount equal to 50% of the product of the municipal taxes with respect to the property for the taxation year in which the third period commenced multiplied by a fraction whereby the numerator is the number of days in said taxation year which are also days within the third period and the denominator is the total number of days in said taxation year, provided that such amount does not exceed the maximum tax credit allowable for the third period which is \$1,000.00, and in such event the amount of \$1,000; and
 - (ii) in the event that the amount calculated in subclause (i) is less than \$1,000, an additional amount equal to 50% of the product of the municipal taxes with respect to the property for the taxation year in which the third period ended multiplied by a fraction whereby the numerator is the number of days in said taxation year which are also days within the third period and the denominator is the total number of days in said taxation year, provided that such amount is not greater than the difference of \$1,000 less the amount determined by subclause (i), and in such event the amount of said difference.

7. For greater certainty, the total tax credit during the term of the tax credit program for a property which is infill development shall not exceed \$5,000.

8. Subject to section 10, where a property eligible under section 2 is new development, the amount of the tax credit which may be applied to the municipal

taxes with respect to the property during the term of the tax credit program shall be calculated as follows:

- (a) for the first period, the sum of the following two amounts:
 - (i) an amount equal to 100% of the product of the municipal taxes with respect to the property for the taxation year in which the first period commenced multiplied by a fraction whereby the numerator is the number of days in said taxation year which are also days within the first period and the denominator is the total number of days in said taxation year, provided that such amount does not exceed the maximum tax credit allowable for the first period which is \$2,000.00, and in such event the amount of \$2,000; and
 - (ii) in the event that the amount calculated in subclause (i) is less than \$2,000, an additional amount equal to 100% of the product of the municipal taxes with respect to the property for the taxation year in which the first period ended multiplied by a fraction whereby the numerator is the number of days in said taxation year which are also days within the first period and the denominator is the total number of days in said taxation year, provided that such amount is not greater than the difference of \$2,000 less the amount determined by subclause (i), and in such event the amount of said difference;

and;

- (b) for the second period, the sum of the following two amounts:
 - (i) an amount equal to 50% of the product of the municipal taxes with respect to the property for the taxation year in which the second period commenced multiplied by a fraction whereby the numerator is the number of days in said taxation year which are also days within the second period and the denominator is the total number of days in said taxation year, provided that such amount does not exceed the maximum tax credit allowable for the second period which is \$1,000.00, and in such event the amount of \$1,000; and

- (ii) in the event that the amount calculated in subclause (i) is less than \$1,000, an additional amount equal to 50% of the product of the municipal taxes with respect to the property for the taxation year in which the second period ended multiplied by a fraction whereby the numerator is the number of days in said taxation year which are also days within the second period and the denominator is the total number of days in said taxation year, provided that such amount is not greater than the difference of \$1,000 less the amount determined by subclause (i), and in such event the amount of said difference;

and;

- (c) for the third period, the sum of the following two amounts:
 - (i) an amount equal to 25% of the product of the municipal taxes with respect to the property for the taxation year in which the third period commenced multiplied by a fraction whereby the numerator is the number of days in said taxation year which are also days within the third period and the denominator is the total number of days in said taxation year, provided that such amount does not exceed the maximum tax credit allowable for the third period which is \$500.00, and in such event the amount of \$500; and
 - (ii) in the event that the amount calculated in subclause (i) is less than \$500, an additional amount equal to 25% of the product of the municipal taxes with respect to the property for the taxation year in which the third period ended multiplied by a fraction whereby the numerator is the number of days in said taxation year which are also days within the third period and the denominator is the total number of days in said taxation year, provided that such amount is not greater than the amount of the difference of \$500 less the amount determined by subclause (i), and in such event the amount of said difference.

9. For greater certainty, the total tax credit during the term of the tax credit program for a property which is new development shall not exceed \$3,500.

10. The amount of a tax credit calculated under section 6 or section 8 shall be rounded off to the nearest dollar such that where the amount would have otherwise ended in \$.50 or greater the amount shall be rounded upwards and where the amount would have otherwise ended in \$.49 or less the amount shall be rounded downwards.

11. Notwithstanding any other provision of this by-law, there shall be no tax credit with respect to property where there exists arrears of municipal taxes or school taxes, or both, after December 31 of the taxation year to which the tax credit would have otherwise applied in whole or in part but for this section.

12. In the event that a property is eligible for a tax credit but the tax credit has not been applied to the municipal taxes as an entry on the Statement and Demand for Payment of Taxes, or the supplemental Statement and Demand for Payment of Taxes, and the municipal taxes have been paid, the tax credit may be applied to the municipal taxes in the form of a refund.

13. Notwithstanding any other provision of this by-law, in the event that there is more than one person who meets the requirements under clause 2(c) to make application under section 4 for a tax credit to be applied to the municipal taxes with respect to a property, only one tax credit shall be provided under this by-law.

13.1 Notwithstanding any provision of this by-law, if a tax credit was granted, or eligible to be granted, to a property pursuant to By-law No. 7076/97, no tax credit shall be granted in respect of that property under this by-law.

14. Entitlement to a tax credit shall cease upon the sale or transfer of ownership of the property, excluding interspousal transfers, by or from a person who is, was, or had been eligible to apply for a tax credit under this by-law.

15. In any given period within the term of the tax credit program, in the event that, as a result of a person having provided false or inaccurate information or documentation or having failed to provide true and accurate information and documentation contrary to section 4 or as a result of an error in a calculation under any of sections 6 through 9, the person receives a tax credit which is applied to municipal taxes of a property that is not eligible under section 2, which is in excess

of the amount provided for under sections 6 through 9, or which otherwise is not in compliance with this by-law, the person shall return to the Director of Corporate Finance such portion of the tax credit calculated for the period in accordance with the following formula:

$$A = C \times \frac{B}{D}$$

- where **A** is the amount of the tax credit to be returned under this section
C is the total amount of the tax credit received for the period
B is the number of days for which no tax credit should have been given in the period
D is the total number of days in the period

and in addition shall pay interest on the amount to be returned, calculated at the rate prescribed by The Tax Penalty By-law commencing on the day the property or the person failed or ceased to meet all of the requirements under section 2 or the day the municipal taxes were due and payable, whichever day is later.

16. In any given period within the term of the tax credit program, in the event that, as a result of a change in ownership of the property as contemplated under section 14 or as a result of an error in a calculation under any of sections 6 through 9, a tax credit is applied to the municipal taxes of a property that is not eligible under section 2, which is in excess of the amount provided for under sections 6 through 9, or which otherwise is not in compliance with this by-law, the Director of Corporate Finance shall reverse such portion of the tax credit calculated for the period in accordance with the following formula:

$$A = C \times \frac{B}{D}$$

- where **A** is the amount of the tax credit to be reversed under this section
C is the total amount of the tax credit which had been applied to the municipal taxes of the property for the period
B is the number of days for which no tax credit should have been applied in the period
D is the total number of days in the period

and in addition shall impose a penalty of interest on the amount of the reversal, calculated at the rate prescribed by The Tax Penalty By-law commencing on the day

the property failed or ceased to be eligible under section 2 or the day the municipal taxes were due and payable, whichever day is later.

17. The determination of whether a property is eligible under section 2, whether a person meets the requirements under clause 2(c), the amount of any tax credit, return of tax credit under section 15, or reversal of tax credit under section 16 and all other matters within this by-law shall be made by the Director of Corporate Finance, except that the determination of whether a property is infill development shall be made by the Chief Administrative Officer.

18. Any person who is aggrieved by a determination made under section 17 may, within 15 days of the mailing of notice of the determination made under section 17, appeal from that determination to the Committee, by filing a written notice of appeal with the City Clerk, which states the grounds for the appeal and the mailing address of the appellant.

19. The notice of the determination referred to in section 18 may be in the form of a Statement and Demand for Payment of Taxes, a supplemental Statement and Demand for Payment of Taxes, or such other form as prescribed by the Director of Corporate Finance.

20. The Committee shall fix a date for a meeting to consider the appeal and shall cause not less than 15 days notice of the meeting to be provided by certified mail to the appellant, at the address of the appellant as specified in the notice of appeal.

21. The notice under section 20 shall inform the appellant that he or she may appear at the meeting and make such representation as he or she desires and that in the event that he or she does not appear at the meeting, a decision may be made by the Committee in his or her absence.

22. On the day and at the time and place stated in the notice, the Committee shall conduct the meeting and receive representations from the appellant and from the Director of Corporate Finance or the Chief Administrative Officer as may be applicable and any other person deemed appropriate by the Committee.

23. The meeting may be adjourned from time to time and may be resumed at such time and place as the Committee may decide.

24. The Committee, after conducting the meeting, may:

- (a) rescind, modify or confirm any determination made under section 17 by the City Treasurer or by the Chief Administrative Officer;
- (b) make such other decision as in the circumstances of each case it deems just;

and the decision of the Committee, upon being communicated to the appellant shall be final for all purposes under this by-law.

25. The Committee Clerk shall cause a copy of the Committee's decision to be mailed to the appellant and to any other person who made representation to the Committee.

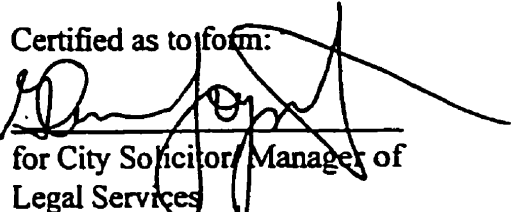
DONE AND PASSED, in Council assembled, this 25 day of March, 1998.

(Sgd.) Susan A. Thompson
 Mayor

(SEAL)

(Sgd.) Dorothy Browton
 City Clerk

Certified as to form:



 for City Solicitor/Manager of
 Legal Services
 File No. G.5.1/97(1)

APPENDIX C

MANITOBA ASSESSMENT PORTIONING OF ALL PROPERTY CLASSES

MANITOBA ASSESSMENT PORTIONING PHASE-IN (PERCENTAGE)

Property Classification	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
10 Residential 1	48.6	47.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0
20 Residential 2	73.2	68.0	64.0	64.0	61.0	57.0	57.0	53.0	49.0	49.0	45.0
30 Farm Property	27.1	27.0	27.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
31 Farm Use Only	27.1	27.0	27.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
40 Institutional	67.2	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0
51 Pipeline	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
52 Railway	24.5	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
60 Other	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0
70 Golf Course	7.5	7.7	7.9	7.9	8.3	8.7	8.7	9.1	9.5	9.5	10.0
80 Residential 3	32.7	33.0	34.0	35.0	37.0	38.0	39.0	41.0	43.0	43.0	45.0

Definition of Property Classifications

10 Residential 1 - Residences with 1-4 dwelling units

20 Residential 2 - Residences with 5 or more dwelling units

60 Other - includes commercial and industrial property

80 Residential 3 - owner-occupied condominiums and cooperative housing

Source:

City of Winnipeg Presentation to Council, June 27, 1997

APPENDIX D
CITY OF WINNIPEG EXECUTIVE POLICY
COMMITTEE - ST. GERMAINE/VERMETTE
DECISION

St. Germain/Vermette And Unserviced
Lots in Winnipeg
Files FL-2 (Vol. 13) & FE(1997) (Vol. 1)

4. On December 7, 1995, the Minister of Urban Affairs, wrote to the Mayor asking the City to advise him "which of the options presented in the St. Germain/Vermette Study is the (City's) preferred option and on any action (the City) is prepared to undertake to address the issues raised in the study".

On July 21, 1993, Council considered various options in order to provide taxation relief for under serviced lots within the City of Winnipeg. Council recommended that the ad valorem tax system continue to be the system for property taxes within the boundaries of the City of Winnipeg.

In considering the options, the Minister drew Council's attention to the lower mill rate proposal and the rural service area proposal contained in the Study.

On January 24, 1996, Council adopted Clause 24 of the Report of the Executive Policy Committee dated January 17, 1996, recommending that the City reiterate that the ad valorem tax system continue to be the system for property taxes within the boundaries of the City of Winnipeg, and that the Province of Manitoba be advised that the City does not wish to see the St. Germain/Vermette Community secede.

In discussions with the Province it would appear that they do not wish to see the boundaries of the City of Winnipeg eroded through secession, however, the Province would like to see the City find a solution which would address the concerns of outlying semi rural property owners who do not have the same level of municipal services as that which the majority of Winnipeg property owners enjoy.

The City's administration believes that if the City made some concessions to these semi rural properties that the Province may be more supportive of preserving the City boundaries. In the absence of any concessions, the City stands at risk to be continually eroded through request for secessions.

Council has reiterated its support for the ad valorem tax system and it is acknowledged that because all properties in Winnipeg are taxed based on fair market value, a portion of that value reflects the degree of servicing afforded to a property. However, there is a feeling amongst certain taxpayers that they are not a part of Winnipeg because they receive significantly less in services than other Winnipeggers.

Taxpayers in the semi rural areas within the Winnipeg boundaries do not have the same conveniences as other taxpayers. They must travel much greater distances for community centres, parks, libraries, arenas and swimming pools. They lack bus services and have slightly greater response times for police, fire and ambulance services.

It is difficult to identify specific households in this situation but a good indicator are those properties which do not have water and sewer service (ie. properties which do not pay a frontage levy).

Post-It™ Fax Note	7671E	Date	FEB.17	# of pages	4
To	JAMES ROBERTSON	From	BOB MACCARTHY		
Co./Dept.		Co.			
Phone #		Phone #	786-2136		
Fax #	242-5196	Fax #			

Report of the Executive Policy Committee dated November 13, 1996

It is proposed to recognize the lower level of service by offering an annual grant of \$250. This grant is not related to lack of water and sewer services because these services are provided and paid for by a separate utility. None of the property taxes are used to fund water and sewer. The absence of water and sewer could be used as an identifier in order to select qualifying property off the computerized tax roll. It may be in the City's best interest to give recognition to this difference in service and to make a long term offer of compensation. The cost of concessions to residential properties which do not have water and sewer would be significantly less than the net tax loss should St. Germain secede.

There are several options to the form or manner in which the concession is provided.

Based on Section 138 of The City of Winnipeg Act a grant can be provided. This vehicle has been utilized in the past for tax relief for heritage buildings and for the water rebate program in Headingley. The Corporate Services - Legal Services Branch has advised that tax relief should have specific legislation especially when given on a large scale program. Any grant for tax relief for heritage buildings is dealt with by council on a case by case basis and the grant for Headingley was done for an interim period, individually, on an application basis. The City, by providing a grant, would not be compromising the ad valorem tax system. Property will still be taxed at a common mill rate based on portioned market values. The grant is simply a recognition that some taxpayers incur additional cost and inconvenience which most other Winnipeg taxpayers do not have to bear.

Another option is Section 164(5) of The City of Winnipeg Act which states as follows:

"Tax Rate on agricultural land

The council may by by-law provide that by reason of the use for agricultural purposes to which lands described in it are put and the services and facilities that are or are not available to the owner or occupant thereof, the city's tax levy made in respect of such lands shall be calculated by levying a rate reduced by the amount specified in the by-law against the assessed value of those lands: and it is not necessary for the council to specify the services or facilities that are or are not available to the owners or occupants of those lands in the by-law."

This Section is only applicable to land used for agricultural purposes. Farm land already experiences benefits from a preferred portion value, an exemption from the education support levy and in some instances an option, by application, to be assessed at farm use value.

In addition, a third option is the use of differential mill rates.

On July 31, 1991 in a report adopted by City Council the matter of differential mill rates was dealt with. The report stated as follows:

"Differential mill rates by their nature create inequity in taxation. Property taxation should be based on market value and the rate of taxation should be consistently applied with the level of taxation being dependent on the value of the property. If Council supports the view that large lot owners require subsidizing related to the services they receive, this should be recognized by a credit applied to the tax or to a grant which would be administered annually to offset the perceived inequity of the tax. The credit

or grant would be properly accounted as an expense and would not distort the revenue requirements and eliminate the annual determination of the share of revenue required between large lot owners and other properties. In addition, the credit on the grant would also be more visible and understandable than a differential mill rate.

Differential mill rates have the same net effect as providing an exemption of a portion of the taxable assessment. The Manitoba Assessment Review Committee (1982) in dealing with tax concessions stated that:

"The Committee believes that such recognition should not be expressed through a by-law which exempts such organizations from municipal taxes. The Council of the Municipality should be made accountable to the taxpayers for any tax concessions it makes. Such concessions can affect the total Municipal Assessment and could, if

significant in size, affect the sharing of intermunicipal costs... Such assistance should, however, be provided through a grant equivalent to full municipal taxes. A grant is a more open way of expressing recognition of an organization's contribution to a community. A grant is subject to scrutiny on a regular basis by both the Council and the public. The taxpayers in the municipality see where their tax dollars are going and to whom. They are free to oppose or question the council's decision to make such a grant."

If the differential mill rate option was chosen, legislative amendments would be required. This option is not recommended.

An annual grant would appear to be the most appropriate method of providing concessions to unserved properties. It is also recommended that the level of the grant be \$250. This amount is less than the \$365 which was given on a limited term basis to Headingley but the \$365 was intended as compensation for water and sewer costs which are higher than the costs associated with the inconveniences of accessing other services.

The \$250 grant if approved, should be on an ongoing basis and it could be paid by applying the grant as a credit to the individual tax bill. Specific legislation should be requested from the Province giving the City the authority to make the grants and outlining the criteria that would make property owners eligible for the grant.

The eligibility criteria that could be considered is as follows:

Property which is classified as Residential 1 and that has a dwelling located on it.
In addition the property must be eligible for the Provincial Home Owners Tax Assistance Program.

Rental or vacant residential (class 10) property should not be eligible for grants. The absence of services does not pose a hardship or impact on the enjoyment of the property by the property owner.

Report of the Executive Policy Committee dated November 13, 1996

The grant would not be applicable to other classes of property for the following reasons:

Residential 2 and 3 (class 20 and 80) have no unserviced apartments or condos however there are vacant lands in these class codes. Any development of these lands would require servicing.

Farm and Farm use (class 30 and 31) already enjoy a low level of taxation due to portioning.

Pipeline, Railway and Commercial (class 51, 52, and 60) are not impacted by the lack of services. As non-users of recreational facilities, etc., these classes are not eligible for the grant.

St. Germain/Vermette's 1994 municipal taxes totalled \$1,008,635. 352 of 652 total lots in St. Germain/Vermette would be eligible for the annual grant.

There are 959 Residential 1 lots with buildings, without water and sewer service, and which are eligible for the Manitoba Resident Home Owners Tax Assistance in Winnipeg. If a grant of \$250 per lot is given, the total cost would be \$240,000.

The Executive Policy Committee recommends:

- I. That Council approve an annual grant of \$250 to each owner occupied Residential 1 residence in Winnipeg which does not have access to Water and Sewer service.**
- II. That a provision of \$240,000 be made in the 1997 and future annual Operating Budgets of the City.**
- III. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing.**

**ADOPTED BY COUNCIL
- November 20, 1996**

APPENDIX E
COMPLETE LISTING OF CONDOMINIUM
SALES AND ASSESSMENTS

Assessment Evaluation

Address	Suite	Sale Date	Type	Sale Price	97' Assessment	98' Assessment	97' Accuracy	98' Accuracy	97' Analysis	98' Analysis
201 Watson	212	1/4/96	AP	\$34,500	\$35,000	\$36,700	0.9857	0.9401	ACCURATE	ACCURATE
805 St. Annes	201	2/15/96	AP	\$94,900	\$88,700	\$97,550	1.0699	0.9728	ACCURATE	ACCURATE
167 Bannatyne	509	3/22/96	AP	\$94,000	\$112,050	\$108,850	0.8389	0.8638	UNDER	UNDER
805 St Annes	108	2/6/96	AP	\$94,000	\$88,700	\$97,550	1.0598	0.9638	ACCURATE	ACCURATE
110 Plaza	3208	2/18/96	AP	\$58,500	\$58,950	\$56,000	0.9924	1.0446	ACCURATE	ACCURATE
20 Lake Crest	2110	2/20/96	AP	\$39,900	\$48,890	\$43,550	0.8161	0.9162	UNDER	ACCURATE
654 Kenaston	2201	2/14/96	AP	\$35,000	\$39,500	\$39,500	0.8861	0.8861	UNDER	UNDER
246 Roslyn	508	2/12/96	AP	\$38,400	\$42,700	\$38,500	0.8993	0.9974	UNDER	ACCURATE
197 Watson	212	2/17/96	AP	\$36,900	\$36,750	\$38,600	1.0041	0.9560	ACCURATE	ACCURATE
795 St. Annes	104	2/2/96	AP	\$90,900	\$92,250	\$96,900	0.9854	0.9381	ACCURATE	ACCURATE
90 Plaza	1115	3/24/96	AP	\$61,000	\$58,300	\$56,550	1.0463	1.0787	ACCURATE	ACCURATE
77 Edmonton	903	1/16/96	AP	\$52,900	\$42,750	\$49,150	1.2374	1.0763	OVER	ACCURATE
805 St. Annes	303	1/30/96	AP	\$93,500	\$88,700	\$97,550	1.0541	0.9585	ACCURATE	ACCURATE
1305 Grant	304	1/19/96	AP	\$45,000	\$49,100	\$44,550	0.9165	1.0101	ACCURATE	ACCURATE
9 Burland	101	1/23/96	AP	\$54,000	\$52,000	\$54,600	1.0385	0.9890	ACCURATE	ACCURATE
70 Paddington	6	2/21/96	AP	\$50,500	\$45,350	\$49,950	1.1136	1.0110	OVER	ACCURATE
3451 Portage	15	1/16/96	AP	\$43,800	\$44,100	\$44,100	0.9932	0.9932	ACCURATE	ACCURATE
870 Cambridge	202	3/31/96	AP	\$43,000	\$45,250	\$43,700	0.9503	0.9840	ACCURATE	ACCURATE
193 Watson	208	3/26/96	AP	\$36,900	\$35,000	\$36,700	1.0543	1.0054	ACCURATE	ACCURATE
1895 St Marys	5	1/29/96	AP	\$54,900	\$53,500	\$57,750	1.0262	0.9506	ACCURATE	ACCURATE
55 N. Nassau	702	1/11/96	AP	\$72,500	\$69,750	\$81,750	1.0394	0.8889	ACCURATE	UNDER
175 Pulberry	904	3/14/96	AP	\$35,250	\$40,800	\$32,250	0.8640	1.0930	UNDER	ACCURATE
197 Watson	202	1/25/96	AP	\$46,000	\$40,000	\$42,000	1.1500	1.0952	OVER	ACCURATE
805 St Annes	106	2/9/96	AP	\$97,900	\$88,700	\$97,550	1.1037	1.0036	OVER	ACCURATE
167 Bannatyne	316	2/1/96	AP	\$74,000	\$79,200	\$76,850	0.9343	0.9629	ACCURATE	ACCURATE
90 S. Marlow	6	3/7/96	AP	\$27,000	\$29,000	\$29,900	0.9310	0.9030	ACCURATE	ACCURATE
1720 Pembina	713	2/19/96	AP	\$77,000	\$72,550	\$77,900	1.0613	0.9884	ACCURATE	ACCURATE
80 Plaza	2102	2/8/96	AP	\$71,000	\$72,650	\$72,650	0.9773	0.9773	ACCURATE	ACCURATE
99 Wellington	304	2/13/96	AP	\$46,500	\$57,900	\$61,300	0.8031	0.7586	UNDER	UNDER
99 Wellington	801	2/6/96	AP	\$120,500	\$85,200	\$119,300	1.4143	1.0101	OVER	ACCURATE
70 Paddington	26	3/27/96	AP	\$48,900	\$45,350	\$49,950	1.0783	0.9790	ACCURATE	ACCURATE
3000 Pembina	816	2/5/96	AP	\$42,000	\$44,050	\$37,750	0.9535	1.1126	ACCURATE	OVER
1720 Pembina	810	2/14/96	AP	\$121,500	\$97,100	\$104,650	1.2513	1.1610	OVER	OVER
201 Watson	208	2/7/96	AP	\$36,900	\$35,000	\$36,700	1.0543	1.0054	ACCURATE	ACCURATE

Assessment Evaluation

Address	Suite	Sale Date	Type	Sale Price	97' Assessment	98' Assessment	97' Accuracy	98' Accuracy	97' Analysis	98' Analysis
376 Osborne	501	2/5/96	AP	\$72,900	\$64,550	\$87,800	1.1294	1.0752	OVER	ACCURATE
167 Bannatyne	307	3/18/96	AP	\$102,500	\$119,600	\$116,350	0.8570	0.8810	UNDER	UNDER
120 Plaza	4212	3/9/96	AP	\$42,700	\$40,800	\$38,750	1.0466	1.1019	OVER	OVER
693 St. Annes	209	2/24/96	AP	\$70,000	\$74,100	\$70,450	0.9447	0.9936	ACCURATE	ACCURATE
3499 Portage	7	3/19/96	AP	\$39,000	\$44,100	\$44,100	0.8844	0.8844	UNDER	UNDER
3030 Pembina	P	3/24/96	AP	\$59,500	\$56,700	\$56,700	1.0494	1.0494	ACCURATE	ACCURATE
300 Roslyn		3/6/96	AP	\$53,000	\$56,050	\$55,650	0.9456	0.9490	ACCURATE	ACCURATE
365 Wellington	502	3/25/96	AP	\$74,500	\$66,650	\$77,650	1.1178	0.9594	UNDER	ACCURATE
250 Wellington	507	3/25/96	AP	\$42,000	\$41,000	\$41,000	1.0244	1.0244	ACCURATE	ACCURATE
197 Victor Lewis	3109	3/22/96	AP	\$53,000	\$51,000	\$53,550	1.0392	0.9897	ACCURATE	ACCURATE
189 Watson	105	3/21/96	AP	\$44,000	\$40,000	\$41,950	1.1000	1.0489	ACCURATE	ACCURATE
300 Roslyn	1	3/17/96	AP	\$46,900	\$44,650	\$41,650	1.0504	1.1261	OVER	OVER
30 LakeCrest	1201	3/26/96	AP	\$32,000	\$35,640	\$32,640	0.8979	0.9804	UNDER	ACCURATE
5 Burland	202	3/11/96	AP	\$94,900	\$52,000	\$54,600	1.8250	1.7361	OVER	OVER
55 N. Nassau	607	3/22/96	AP	\$82,500	\$71,250	\$83,300	1.1579	0.9904	OVER	ACCURATE
376 Osborne	506	3/25/96	AP	\$61,900	\$55,450	\$58,250	1.1163	1.0627	OVER	ACCURATE
167 Bannatyne	415	5/16/96	AP	\$72,500	\$83,500	\$80,950	0.8683	0.8956	UNDER	UNDER
3030 Pembina	213	5/25/96	AP	\$53,000	\$56,300	\$56,300	0.9414	0.9414	ACCURATE	ACCURATE
100 Scotswood	18	2/25/96	AP	\$64,900	\$58,400	\$64,200	1.1113	1.0109	OVER	ACCURATE
1048 Buchanan	4	5/31/96	AP	\$53,000	\$49,950	\$54,800	1.0611	0.9672	ACCURATE	ACCURATE
230 Roslyn	405	5/18/96	AP	\$68,500	\$51,400	\$64,400	1.3327	1.0637	OVER	ACCURATE
323 Wellington	403	5/5/96	AP	\$85,000	\$87,600	\$89,800	0.9703	0.9465	ACCURATE	ACCURATE
188 Roslyn	702	5/31/96	AP	\$73,000	\$66,500	\$66,500	1.0977	1.0977	ACCURATE	ACCURATE
411 Cumberland	1705	4/22/96	AP	\$26,500	\$33,900	\$32,600	0.7817	0.8129	UNDER	UNDER
667 St. Annes	12	5/1/96	AP	\$66,000	\$69,550	\$73,400	0.9490	0.8992	UNDER	UNDER
738 Dorchester	9	2/10/96	AP	\$60,000	\$54,800	\$80,000	1.0949	1.0000	ACCURATE	ACCURATE
667 St. Annes	10	4/10/96	AP	\$60,000	\$69,550	\$73,400	0.8627	0.8174	UNDER	UNDER
185 Victor Lewis	1306	4/3/96	AP	\$50,000	\$51,000	\$53,550	0.9804	0.9337	ACCURATE	ACCURATE
330 Wellington	502	4/23/96	AP	\$123,000	\$115,100	\$120,700	1.0686	1.0191	ACCURATE	ACCURATE
375 Wellington	11	4/14/96	AP	\$59,500	\$67,700	\$64,300	0.8789	0.9253	UNDER	ACCURATE
193 Watson	110	4/23/96	AP	\$36,900	\$35,000	\$36,700	1.0543	1.0054	ACCURATE	ACCURATE
667 St. Annes	206	5/20/96	AP	\$90,900	\$77,050	\$91,000	1.1798	0.9989	OVER	ACCURATE
693 St. Annes	213	6/19/96	AP	\$67,000	\$74,100	\$70,450	0.9042	0.9510	ACCURATE	ACCURATE
55 Nassau	2706	4/7/96	AP	\$77,999	\$69,150	\$78,000	1.1280	0.9873	OVER	ACCURATE

Assessment Evaluation

Address	Suite	Sale Date	Type	Sale Price	97' Assessment	98' Assessment	97' Accuracy	98' Accuracy	97' Analysis	98' Analysis
175 Pulberry	309	6/3/96	AP	\$37,500	\$39,400	\$32,250	0.9518	1.1628	ACCURATE	OVER
20 Lake Crest	2106	6/5/96	AP	\$41,000	\$48,750	\$41,650	0.8770	0.9844	UNDER	ACCURATE
20 Lake Crest	2105	5/30/96	AP	\$41,500	\$46,750	\$41,650	0.8877	0.9964	UNDER	ACCURATE
1048 Bairdmore	2210	4/1/96	AP	\$41,000	\$44,450	\$42,700	0.9224	0.9602	ACCURATE	ACCURATE
805 St. Annes	203	6/9/96	AP	\$94,900	\$88,700	\$97,550	1.0699	0.9728	ACCURATE	ACCURATE
376 Osborne	211	5/23/96	AP	\$89,900	\$87,400	\$70,750	1.0371	0.9880	ACCURATE	ACCURATE
734 Dorchester	7	6/5/96	AP	\$85,000	\$54,900	\$80,000	1.1840	1.0833	OVER	ACCURATE
1 Burland	304	5/31/96	AP	\$55,500	\$52,000	\$54,800	1.0673	1.0165	ACCURATE	ACCURATE
30 Lake Crest	1104	4/11/96	AP	\$34,500	\$36,630	\$33,350	0.9419	1.0345	ACCURATE	ACCURATE
1460 Portage	605	5/8/96	AP	\$84,000	\$70,250	\$71,500	1.1957	1.1748	OVER	OVER
177 Watson	301	4/1/96	AP	\$43,000	\$66,250	\$69,600	0.6491	0.6178	UNDER	UNDER
693 St. Annes	109	5/9/96	AP	\$72,500	\$74,100	\$71,450	0.9784	1.0147	ACCURATE	ACCURATE
1895 St Marys	11	4/18/96	AP	\$87,000	\$86,150	\$71,500	1.0128	0.9371	ACCURATE	ACCURATE
85 Apple	22	4/11/96	AP	\$38,000	\$39,000	\$42,100	0.9231	0.8551	ACCURATE	UNDER
1720 Pembina	108	5/31/96	AP	\$57,500	\$47,800	\$56,300	1.2029	1.0213	OVER	ACCURATE
3000 S Pembina	515	5/28/96	AP	\$41,500	\$44,150	\$41,000	0.9400	1.0122	ACCURATE	ACCURATE
80 Plaza	2108	6/14/96	AP	\$88,900	\$71,200	\$71,200	0.9677	0.9677	ACCURATE	ACCURATE
97 Swindon	208	6/6/96	AP	\$53,900	\$57,800	\$56,200	0.9358	0.9591	ACCURATE	ACCURATE
167 Bannatyne	207	5/18/96	AP	\$117,000	\$118,600	\$115,350	0.9865	1.0143	ACCURATE	ACCURATE
1720 Pembina	112	4/28/96	AP	\$82,900	\$70,000	\$76,700	1.1843	1.0808	OVER	ACCURATE
173 Watson	105	5/22/96	AP	\$52,500	\$53,500	\$56,250	0.9813	0.9333	ACCURATE	ACCURATE
250 Wellington	512	5/2/96	AP	\$56,000	\$55,350	\$55,350	1.0117	1.0117	ACCURATE	ACCURATE
411 Cumberland	215	6/11/96	AP	\$16,500	\$21,450	\$20,050	0.7692	0.8229	UNDER	UNDER
323 E Wellinton	603	5/11/96	AP	\$136,000	\$119,850	\$144,100	1.1348	0.9438	OVER	ACCURATE
197 Victor Lewis	3102	5/15/96	AP	\$60,000	\$57,000	\$59,800	1.0526	1.0033	ACCURATE	ACCURATE
250 Wellington	508	6/30/96	AP	\$58,000	\$55,950	\$55,950	1.0366	1.0366	ACCURATE	ACCURATE
144 Portsmouth	161	6/13/96	AP	\$82,000	\$55,600	\$81,100	1.1151	1.0147	OVER	ACCURATE
34 Arden	202	5/30/96	AP	\$32,500	\$44,900	\$33,400	0.7238	0.9731	UNDER	ACCURATE
1661 Plessis	201	6/27/96	AP	\$44,200	\$41,200	\$43,250	1.0728	1.0220	ACCURATE	ACCURATE
151 Roslyn	22	6/26/96	AP	\$34,000	\$47,100	\$35,900	0.7219	0.9471	UNDER	ACCURATE
15 Kennedy	1506	5/13/96	AP	\$71,795	\$77,750	\$77,750	0.9234	0.9234	ACCURATE	ACCURATE
811 Grosvenor	702	6/5/96	AP	\$80,750	\$70,100	\$68,050	1.1519	1.1866	OVER	OVER
15 Kennedy	1504	5/21/96	AP	\$89,469	\$61,100	\$61,100	1.1370	1.1370	OVER	OVER
261 Queen	203	6/6/96	AP	\$46,500	\$50,100	\$41,500	0.9281	1.1205	ACCURATE	OVER

Assessment Evaluation

Address	Sulte	Sale Date	Type	Sale Price	97' Assessment	98' Assessment	97' Accuracy	98' Accuracy	97' Analysis	98' Analysis
201 Victor Lewis	2218	6/10/96	AP	\$60,500	\$59,200	\$62,100	1.0220	0.9742	ACCURATE	ACCURATE
300 Roslyn	9M	6/5/96	AP	\$84,000	\$55,500	\$53,900	1.1532	1.1874	OVER	OVER
197 Watson	211	5/30/96	AP	\$35,000	\$35,000	\$36,700	1.0000	0.9537	ACCURATE	ACCURATE
15 Kennedy	402	5/25/96	AP	\$49,395	\$49,700	\$49,700	0.9939	0.9939	ACCURATE	ACCURATE
15 Kennedy	302	5/27/96	AP	\$48,150	\$48,700	\$48,700	0.9887	0.9887	ACCURATE	ACCURATE
212 Watson	102	5/31/96	AP	\$105,900	\$101,600	\$104,700	1.0423	1.0115	ACCURATE	ACCURATE
99 Wellington	403	6/6/96	AP	\$130,000	\$97,850	\$120,100	1.3286	1.0824	OVER	ACCURATE
376 Osborne	313	6/8/96	AP	\$69,900	\$64,250	\$67,500	1.0879	1.0356	ACCURATE	ACCURATE
193 Victor Lewis	4213	6/6/96	AP	\$45,500	\$37,950	\$39,850	1.1989	1.1418	OVER	OVER
99 Wellington	802	6/21/96	AP	\$89,000	\$74,250	\$75,600	1.1987	1.1772	OVER	OVER
15 Kennedy	702	6/20/96	AP	\$61,500	\$53,700	\$53,700	1.1453	1.1453	OVER	OVER
811 Grosvenor	701	6/29/96	AP	\$72,000	\$68,000	\$65,500	1.0588	1.0992	ACCURATE	ACCURATE
208 Watson	206	8/21/96	AP	\$106,900	\$101,600	\$104,700	1.0522	1.0210	ACCURATE	ACCURATE
1460 Portage	207	9/21/96	AP	\$84,500	\$84,350	\$87,100	1.0018	0.9701	ACCURATE	ACCURATE
626 Wardlaw	1	8/2/96	AP	\$77,500	\$78,150	\$87,300	0.9917	0.8877	ACCURATE	UNDER
481 Thompson	1112	8/22/96	AP	\$76,000	\$79,100	\$72,800	0.9608	1.0440	ACCURATE	ACCURATE
411 Cumberland	607	7/1/96	AP	\$20,000	\$22,400	\$20,050	0.8929	0.9975	UNDER	ACCURATE
411 Cumberland	1213	8/24/96	AP	\$20,000	\$23,750	\$20,050	0.8421	0.9975	UNDER	ACCURATE
460 Kenaston	108	7/8/96	AP	\$48,000	\$47,050	\$47,050	1.0202	1.0202	ACCURATE	ACCURATE
55 N Nassau	3004	8/14/96	AP	\$50,500	\$54,050	\$52,900	0.9343	0.9546	ACCURATE	ACCURATE
411 Cumberland	1409	8/17/96	AP	\$18,000	\$23,800	\$20,050	0.7563	0.8978	UNDER	UNDER
365 Wellington	703	8/4/96	AP	\$50,000	\$54,800	\$62,300	0.9124	0.8026	ACCURATE	UNDER
246 Roslyn	407	9/23/96	AP	\$30,000	\$44,000	\$40,700	0.6818	0.7371	UNDER	UNDER
29 Roslyn	602	8/9/96	AP	\$105,000	\$101,500	\$101,500	1.0345	1.0345	ACCURATE	ACCURATE
150 Lilac	5	8/12/96	AP	\$79,000	\$69,500	\$73,000	1.1367	1.0822	OVER	ACCURATE
110 Plaza	3203	7/14/96	AP	\$42,500	\$43,750	\$41,600	0.9714	1.0216	ACCURATE	ACCURATE
411 Cumberland	409	8/13/96	AP	\$18,300	\$21,800	\$20,050	0.8394	0.9127	UNDER	ACCURATE
1460 Portage	206	7/18/96	AP	\$65,000	\$69,350	\$71,500	0.9373	0.9091	ACCURATE	ACCURATE
323 Wellington	1704	9/11/96	AP	\$116,000	\$115,450	\$141,900	1.0048	0.8175	ACCURATE	UNDER
189 Watson	207	8/9/96	AP	\$34,000	\$35,000	\$36,700	0.9714	0.9264	ACCURATE	ACCURATE
163 Bertrand	304	7/4/96	AP	\$77,500	\$71,550	\$78,700	1.0832	0.9848	ACCURATE	ACCURATE
176 ThomasBerr	104	7/24/96	AP	\$57,500	\$50,950	\$56,050	1.1286	1.0259	OVER	ACCURATE
175 Pulberry	202	7/31/96	AP	\$54,000	\$52,350	\$53,550	1.0315	1.0084	ACCURATE	ACCURATE
3459 Portage	1	6/26/96	AP	\$42,500	\$44,100	\$44,100	0.9637	0.9637	ACCURATE	ACCURATE

Assessment Evaluation

Address	Suite	Sale Date	Type	Sale Price	97' Assessment	98' Assessment	97' Accuracy	98' Accuracy	97' Analysis	98' Analysis
456 Kenaston	111	7/19/96	AP	\$61,000	\$59,150	\$59,150	1.0313	1.0313	ACCURATE	ACCURATE
811 Grosvenor	203	9/3/96	AP	\$65,000	\$66,900	\$68,050	0.9716	0.9552	ACCURATE	ACCURATE
167 Bannatyne	510	7/28/96	AP	\$121,000	\$128,200	\$123,950	0.9438	0.9762	ACCURATE	ACCURATE
5 Apple	16	7/26/96	AP	\$34,000	\$33,000	\$35,600	1.0303	0.9551	ACCURATE	ACCURATE
30 LakeCrest	1206	7/10/96	AP	\$40,000	\$46,650	\$41,650	0.8574	0.9604	UNDER	ACCURATE
120 W.Scotswoo	2	9/8/96	AP	\$66,900	\$58,400	\$64,200	1.1455	1.0421	OVER	ACCURATE
246 Roslyn	1203	8/18/96	AP	\$38,000	\$45,500	\$40,700	0.8352	0.9337	UNDER	ACCURATE
409 Oakdale	12	8/17/96	AP	\$47,000	\$44,700	\$46,950	1.0515	1.0011	ACCURATE	ACCURATE
246 Roslyn	803	8/18/96	AP	\$38,000	\$44,800	\$40,700	0.8482	0.9337	UNDER	ACCURATE
811 Grosvenor	202	9/19/96	AP	\$67,500	\$66,900	\$68,050	1.0090	0.9919	ACCURATE	ACCURATE
15 Kennedy	810	8/8/96	AP	\$84,830	\$71,600	\$71,600	1.1848	1.1848	OVER	OVER
300 Roslyn		9/4/96	AP	\$42,000	\$41,450	\$39,950	1.0133	1.0513	ACCURATE	ACCURATE
411 Cumberland	502	9/27/96	AP	\$21,000	\$21,000	\$20,050	1.0000	1.0474	ACCURATE	ACCURATE
365 Wellington	603	8/20/96	AP	\$49,000	\$54,650	\$52,300	0.8966	0.9369	UNDER	ACCURATE
740 Kenaston	301	8/30/96	AP	\$35,000	\$45,300	\$42,100	0.7726	0.8314	UNDER	UNDER
3 Burland	102	8/26/96	AP	\$56,000	\$52,000	\$54,600	1.0769	1.0256	ACCURATE	ACCURATE
20 Novavista	101	9/30/96	AP	\$59,000	\$51,700	\$55,900	1.1412	1.0555	OVER	ACCURATE
175 Pulberry	401	9/18/96	AP	\$54,000	\$52,850	\$53,550	1.0218	1.0084	ACCURATE	ACCURATE
916 Cloutier	406	9/24/96	AP	\$61,500	\$55,600	\$55,600	1.1061	1.1061	OVER	OVER
55 N. Nassau	1602	9/3/96	AP	\$84,500	\$70,800	\$81,750	1.1935	1.0336	OVER	ACCURATE
55 N.Nassau	3804	9/29/96	AP	\$52,000	\$52,800	\$64,800	0.9848	0.8025	ACCURATE	UNDER
208 Watson	104	9/6/96	AP	\$105,900	\$101,600	\$104,700	1.0423	1.0115	ACCURATE	ACCURATE
323 Wellington	603	9/18/96	AP	\$136,000	\$119,850	\$144,100	1.1348	0.9438	OVER	ACCURATE
376 Osborne	210	9/12/96	AP	\$56,500	\$55,050	\$57,850	1.0263	0.9767	ACCURATE	ACCURATE
15 Kennedy	602	9/30/96	AP	\$52,900	\$52,700	\$52,700	1.0038	1.0038	ACCURATE	ACCURATE
1720 Pembina	409	10/2/96	AP	\$52,500	\$48,400	\$56,300	1.0847	0.9325	ACCURATE	ACCURATE
1720 Pembina	211	11/6/96	AP	\$51,000	\$48,000	\$56,300	1.0625	0.9059	ACCURATE	ACCURATE
3000 Pembina	419	10/8/96	AP	\$54,500	\$58,250	\$57,850	0.9356	0.9421	ACCURATE	ACCURATE
120 Scotswood	1	10/8/96	AP	\$47,220	\$57,250	\$62,950	0.8248	0.7501	UNDER	UNDER
167 Bannatyne	405	8/13/96	AP	\$99,000	\$102,850	\$99,750	0.9626	0.9925	ACCURATE	ACCURATE
376 Osborne	714	10/9/96	AP	\$77,500	\$74,450	\$78,200	1.0410	0.9910	ACCURATE	ACCURATE
5 Apple	36	11/5/96	AP	\$35,000	\$36,750	\$39,700	0.9524	0.8816	UNDER	UNDER
650 Kenaston	1102	10/28/96	AP	\$51,000	\$49,000	\$49,000	1.0408	1.0408	ACCURATE	ACCURATE
3275 Pembina	310	11/20/96	AP	\$95,000	\$75,150	\$82,650	1.2641	1.1494	OVER	OVER

Assessment Evaluation

Address	Suite	Sale Date	Type	Sale Price	97' Assessment	98' Assessment	97' Accuracy	98' Accuracy	97' Analysis	98' Analysis
167 Bannatyne	515	10/8/96	AP	\$71,000	\$83,800	\$81,250	0.8473	0.8738	UNDER	UNDER
245 Wellington	603	11/7/96	AP	\$69,500	\$74,600	\$74,600	0.9316	0.9316	ACCURATE	ACCURATE
30 LakeCrest	1312	11/10/96	AP	\$43,500	\$46,750	\$41,650	0.9305	1.0444	ACCURATE	ACCURATE
411 Cumberland	818	10/6/96	AP	\$17,000	\$21,750	\$20,050	0.7816	0.8479	UNDER	UNDER
193 VictorLewis	4220	11/13/96	AP	\$59,000	\$59,200	\$61,200	0.9966	0.9641	ACCURATE	ACCURATE
142 Portsmouth	138	12/7/96	AP	\$66,000	\$55,600	\$61,100	1.1871	1.0802	OVER	ACCURATE
148 Portsmouth	179	10/24/96	AP	\$77,000	\$65,950	\$72,500	1.1676	1.0621	OVER	ACCURATE
710 Kenaston	306	10/29/96	AP	\$38,760	\$46,950	\$43,650	0.8256	0.8880	UNDER	UNDER
411 Cumberland	1811	10/17/96	AP	\$20,000	\$25,800	\$22,650	0.7752	0.8830	UNDER	UNDER
1975 Corydon	3F	10/19/96	AP	\$50,000	\$57,850	\$57,850	0.8643	0.8643	UNDER	UNDER
40 Dalhousie	1207	10/30/96	AP	\$33,000	\$39,650	\$30,450	0.8323	1.0837	UNDER	ACCURATE
40 Dalhousie	1308	10/25/96	AP	\$30,000	\$39,650	\$30,450	0.7566	0.9852	UNDER	ACCURATE
151 Roslyn	6	11/28/96	AP	\$32,000	\$44,050	\$36,000	0.7264	0.8889	UNDER	UNDER
750 River	7	12/16/96	AP	\$64,000	\$56,200	\$61,800	1.1388	1.0356	OVER	ACCURATE
376 Osborne	412	10/19/96	AP	\$75,900	\$74,750	\$78,500	1.0154	0.9669	ACCURATE	ACCURATE
1002 Grant	204	11/24/96	AP	\$27,500	\$27,500	\$27,500	1.0000	1.0000	ACCURATE	ACCURATE
411 Cumberland	2013	12/3/96	AP	\$21,900	\$25,100	\$20,050	0.8725	1.0923	UNDER	ACCURATE
376 Osborne	604	11/7/96	AP	\$78,900	\$75,400	\$79,150	1.0464	0.9968	ACCURATE	ACCURATE
148 Portsmouth	185	12/8/96	AP	\$87,000	\$73,350	\$80,700	1.1861	1.0781	OVER	ACCURATE
15 Kennedy	706	11/12/96	AP	\$69,195	\$70,750	\$70,750	0.9780	0.9780	ACCURATE	ACCURATE
20 Lake Crest	2311	12/24/96	AP	\$41,000	\$46,750	\$41,650	0.8770	0.9844	UNDER	ACCURATE
167 Bannatyne	602	11/24/96	AP	\$112,000	\$110,900	\$107,700	1.0099	1.0399	ACCURATE	ACCURATE
785 St.Annes	306	12/2/96	AP	\$98,000	\$92,200	\$96,850	1.0629	1.0119	ACCURATE	ACCURATE
193 VictorLewis	4104	11/29/96	AP	\$55,900	\$51,750	\$54,300	1.0802	1.0295	ACCURATE	ACCURATE
15 Kennedy	1206	12/4/96	AP	\$86,689	\$75,750	\$75,750	1.1444	1.1444	OVER	OVER
320 Carriage	12	12/23/96	AP	\$42,500	\$59,700	\$56,000	0.7119	0.7589	UNDER	UNDER
376 Osborne	514	12/16/96	AP	\$78,900	\$71,250	\$74,800	1.1074	1.0548	OVER	ACCURATE
667 St. Annes	3	7/22/96	AP	\$52,000	\$59,200	\$61,100	0.8784	0.8511	UNDER	UNDER
6645 Roblin	31	8/13/96	AP	\$142,000	\$146,200	\$154,000	0.9713	0.9221	ACCURATE	ACCURATE
1 Waterfront	12	4/8/96	SA	\$121,900	\$119,200	\$124,800	1.0227	0.9768	ACCURATE	ACCURATE
1900 Henderson	19	6/29/96	SA	\$84,000	\$77,150	\$77,150	1.0888	1.0888	ACCURATE	ACCURATE
225 Dawnville	2	12/17/96	SA	\$138,854	\$132,600	\$132,600	1.0472	1.0472	ACCURATE	ACCURATE
650 Warde	19	12/17/96	SA	\$116,900	92650	\$100,100	1.2617	1.1678	OVER	OVER
171 Hamilton	1	12/28/96	SA	\$115,000	\$103,050	\$111,350	1.1160	1.0328	OVER	ACCURATE

Assessment Evaluation

Address	Suite	Sale Date	Type	Sale Price	97' Assessment	98' Assessment	97' Accuracy	98' Accuracy	97' Analysis	98' Analysis
650 Warde	3	1/24/96	SA	\$127,000	\$115,650	\$124,900	1.0981	1.0168	ACCURATE	ACCURATE
330 Carriage	32	2/14/96	TH	\$34,500	\$50,000	\$44,900	0.6900	0.7684	UNDER	UNDER
605 Stradbrook		2/17/96	TH	\$110,000	\$126,400	\$119,700	0.8703	0.9190	UNDER	ACCURATE
19 Apple	B	2/19/96	TH	\$68,000	\$62,450	\$67,450	1.0889	1.0082	ACCURATE	ACCURATE
1028 Buchanan	4	1/18/96	TH	\$58,900	\$51,150	\$50,300	1.1124	1.1312	OVER	OVER
18 Consulate	205	1/11/96	TH	\$58,000	\$51,100	\$56,250	1.0959	0.9956	ACCURATE	ACCURATE
151 Greenway	103	1/19/96	TH	\$52,500	\$86,200	\$60,700	0.7931	0.8649	UNDER	UNDER
634 Kenaston	7	1/4/96	TH	\$67,900	\$61,150	\$67,250	1.1104	1.0097	OVER	ACCURATE
18 N.Consulate	203	1/25/96	TH	\$57,000	\$51,100	\$56,250	1.1155	1.0133	OVER	ACCURATE
173 Belliveau	D	2/25/96	TH	\$76,800	\$55,450	\$63,500	1.3650	1.2094	OVER	OVER
3097 Pembina	617	3/21/96	TH	\$52,800	\$55,750	\$55,750	0.9471	0.9471	ACCURATE	ACCURATE
1028 Buchanan	2	3/16/96	TH	\$57,500	\$51,250	\$54,300	1.1220	1.0589	OVER	ACCURATE
3069 Pembina	216	2/26/96	TH	\$55,500	\$54,700	\$54,700	1.0146	1.0146	ACCURATE	ACCURATE
480 Kenaston	1	5/30/96	TH	\$58,000	\$58,650	\$58,650	0.9889	0.9889	ACCURATE	ACCURATE
602 Kenaston	11	4/28/96	TH	\$69,900	\$66,700	\$73,400	1.0480	0.9523	ACCURATE	ACCURATE
1040 Buchanan	4	4/19/96	TH	\$57,000	\$57,500	\$58,000	0.9913	0.9828	ACCURATE	ACCURATE
547 St. Annes	503	4/16/96	TH	\$68,500	\$70,450	\$70,450	0.9439	0.9439	ACCURATE	ACCURATE
467 Augler	108	5/17/96	TH	\$48,000	\$53,100	\$50,400	0.9040	0.9524	ACCURATE	ACCURATE
33 Apple	B	4/21/96	TH	\$70,000	\$61,300	\$66,200	1.1419	1.0574	OVER	ACCURATE
634 Kenaston	12	4/21/96	TH	\$49,900	\$45,550	\$50,100	1.0955	0.9960	ACCURATE	ACCURATE
602 Kenaston	12	4/11/96	TH	\$49,900	\$45,550	\$50,100	1.0955	0.9960	ACCURATE	ACCURATE
1020 Buchanan	4	4/23/96	TH	\$57,900	\$48,350	\$50,300	1.1975	1.1511	OVER	OVER
140 Portsmouth	130	6/3/96	TH	\$78,000	\$65,950	\$72,500	1.1827	1.0759	OVER	ACCURATE
3069 Pembina	222	5/24/96	TH	\$53,500	\$55,150	\$55,150	0.9701	0.9701	ACCURATE	ACCURATE
100 Wellington	5	6/27/96	TH	\$173,000	\$149,800	\$162,100	1.1549	1.0672	OVER	ACCURATE
120 W Scotswoo	6	4/16/96	TH	\$67,448	\$58,150	\$63,950	1.1599	1.0547	OVER	ACCURATE
750 River	10	6/27/96	TH	\$67,900	\$63,500	\$69,900	1.0893	0.9714	ACCURATE	ACCURATE
70 Maryland	116	5/3/96	TH	\$36,500	\$40,800	\$39,550	0.8946	0.9229	UNDER	ACCURATE
151 Greenway	47	5/2/96	TH	\$64,500	\$66,200	\$60,700	0.9743	1.0626	ACCURATE	ACCURATE
607 St. Annes	2	5/21/96	TH	\$95,000	\$86,200	\$93,600	1.1021	1.0128	OVER	ACCURATE
148 Portsmouth	174	6/17/96	TH	\$63,000	\$73,350	\$80,700	1.1316	1.0285	OVER	ACCURATE
609 St. Annes	2	6/2/96	TH	\$92,500	\$82,200	\$83,000	1.1253	1.1145	OVER	OVER
3927 Grant	307	5/15/96	TH	\$62,000	\$55,350	\$60,900	1.1201	1.0181	OVER	ACCURATE
3080 Pembina	507	6/9/96	TH	\$58,000	\$53,600	\$55,250	1.0821	1.0498	ACCURATE	ACCURATE

Assessment Evaluation

Address	Suite	Sale Date	Type	Sale Price	97' Assessment	98' Assessment	97' Accuracy	98' Accuracy	97' Analysis	98' Analysis
953 Summerside	3	6/12/96	TH	\$50,000	\$46,450	\$48,800	1.0764	1.0246	ACCURATE	ACCURATE
893 Templeton	16	6/11/96	TH	\$78,000	\$72,800	\$78,600	1.0714	0.9924	ACCURATE	ACCURATE
302 Westwood	24	6/15/96	TH	\$92,900	\$96,600	\$104,050	0.9617	0.8928	ACCURATE	UNDER
1899 St.Marys	14	8/2/96	TH	\$90,000	\$82,600	\$89,250	1.0896	1.0084	ACCURATE	ACCURATE
254 St.Annes		7/19/96	TH	\$55,900	\$54,200	\$54,200	1.0314	1.0314	ACCURATE	ACCURATE
108 Swindon	103	8/15/96	TH	\$72,500	\$46,900	\$74,350	1.5458	0.9751	OVER	ACCURATE
1 Snow	144	8/26/96	TH	\$70,000	\$79,900	\$79,950	0.8761	0.8755	UNDER	UNDER
1044 Buchanan	1	9/29/96	TH	\$49,750	\$49,950	\$53,500	0.9960	0.9299	ACCURATE	ACCURATE
3927 Grant	302	8/21/96	TH	\$62,000	\$55,350	\$60,900	1.1201	1.0181	OVER	ACCURATE
100 E.Scotswood	21	8/14/96	TH	\$84,900	\$57,700	\$63,500	1.1248	1.0220	OVER	ACCURATE
144 Portsmouth	153	7/25/96	TH	\$75,500	\$65,950	\$72,500	1.1448	1.0414	OVER	ACCURATE
595 Adsum	56	8/28/96	TH	\$40,000	\$49,200	\$47,700	0.8130	0.8388	UNDER	UNDER
24 Stradford	2	8/15/96	TH	\$57,000	\$53,250	\$58,600	1.0704	0.9727	ACCURATE	ACCURATE
1903 St.Marys	21	9/19/96	TH	\$88,000	\$82,500	\$89,150	1.0667	0.9871	ACCURATE	ACCURATE
1899 St.Marys	19	9/2/96	TH	\$89,000	\$79,500	\$85,850	1.1195	1.0367	OVER	ACCURATE
132 Portsmouth	70	7/2/96	TH	\$88,000	\$73,350	\$80,700	1.1997	1.0905	OVER	ACCURATE
120 Niakwa	22	7/31/96	TH	\$52,000	\$58,550	\$58,550	0.8881	0.8881	UNDER	UNDER
1040 Buchanan	9	8/12/96	TH	\$56,000	\$52,050	\$53,200	1.0759	1.0526	ACCURATE	ACCURATE
21 Apple		9/16/96	TH	\$70,000	\$62,450	\$67,450	1.1209	1.0378	OVER	ACCURATE
54 Paddington	27	8/6/96	TH	\$55,000	\$45,350	\$49,950	1.2128	1.1011	OVER	OVER
2871 Ness	7	8/17/96	TH	\$52,000	\$49,800	\$59,200	1.0442	0.8784	ACCURATE	UNDER
62 Paddington	4	8/14/96	TH	\$54,500	\$45,350	\$49,950	1.2018	1.0911	OVER	ACCURATE
598 Kenaston	1	9/4/96	TH	\$69,900	\$66,700	\$73,400	1.0480	0.9523	ACCURATE	ACCURATE
614 Kenaston	5	9/11/96	TH	\$84,900	\$75,400	\$82,900	1.1260	1.0241	OVER	ACCURATE
128 Portsmouth	44	8/26/96	TH	\$85,000	\$73,350	\$80,700	1.1588	1.0533	OVER	ACCURATE
330 Carriage	25	10/7/96	TH	\$35,000	\$45,500	\$40,850	0.7692	0.8568	UNDER	UNDER
595 Adsum	52	10/9/96	TH	\$45,000	\$49,200	\$47,700	0.9146	0.9434	ACCURATE	ACCURATE
150 Donwood	22	12/1/96	TH	\$34,000	\$56,000	\$53,200	0.6071	0.6391	UNDER	UNDER
361 Westwood	40	10/15/96	TH	\$106,000	\$103,050	\$110,950	1.0286	0.9554	ACCURATE	ACCURATE
77 Edmonton	810	11/22/96	TH	\$67,500	\$69,350	\$79,700	0.9733	0.8469	ACCURATE	UNDER
626 Kenaston	9	10/9/96	TH	\$69,900	\$68,100	\$74,900	1.0264	0.9332	ACCURATE	ACCURATE
381 Westwood	71	11/16/96	TH	\$129,900	\$119,000	\$126,950	1.0916	1.0074	ACCURATE	ACCURATE
70 Paddington	8	11/7/96	TH	\$52,000	\$45,350	\$49,950	1.1466	1.0410	OVER	ACCURATE
1048 Buchanan	2	10/2/96	TH	\$49,000	\$48,150	\$50,300	0.9969	0.9742	ACCURATE	ACCURATE

Assessment Evaluation

Address	Suite	Sale Date	Type	Sale Price	97' Assessment	98' Assessment	97' Accuracy	98' Accuracy	97' Analysis	98' Analysis
547 St. Annes	505	10/14/96	TH	\$77,000	\$81,350	\$81,350	0.9465	0.9465	ACCURATE	ACCURATE
618 S. Kenaston	3	12/9/96	TH	\$77,000	\$67,500	\$74,300	1.1407	1.0363	OVER	ACCURATE
3892 Ness	2	10/27/96	TH	\$65,500	\$50,850	\$56,000	1.2881	1.1696	OVER	OVER
270 Roslyn	T	12/13/96	TH	\$100,000	\$107,400	\$110,600	0.9311	0.9042	ACCURATE	ACCURATE
49 Eric	C	12/8/96	TH	\$67,000	\$62,800	\$67,200	1.0689	0.9970	ACCURATE	ACCURATE
99 Wilmot	C	12/18/96	TH	\$164,500	\$120,200	\$128,800	1.3686	1.2772	OVER	OVER
90 Scotswood	17	1/17/96	TH	\$49,760	\$44,750	\$49,200	1.1120	1.0114	OVER	ACCURATE

Average Values				\$84,473	\$62,425	\$84,814	1.0223	0.9930		
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1997 Assessment	
Average 1997 Assessment	\$62,425
Average Level of Accuracy	1.0223
Number of Assessments Over the Allowed Accuracy Factor of 1.1	79
Number of Assessments Below the Allowed Accuracy Factor of 0.9	43

1998 Assessment	
Average 1998 Assessment	\$84,814
Average Level of Accuracy	0.993
Number of Assessments Over the Allowed Accuracy Factor of 1.1	26
Number of Assessments Below the Allowed Accuracy Factor of 0.9	39

APPENDIX F
C.C.I. LETTER ESTIMATING
CONDOMINIUM OCCUPANCY



June 26, 1998

Mr. James Robertson
122 Gerard Street
Winnipeg, Manitoba
R3L 2G1

Dear Mr. Robertson:

RE: RESIDENTIAL USE OF CONDOMINIUMS

In response to your question we estimate that, on average, 1.75 persons live in each condominium unit in the greater Winnipeg area.

We emphasize that the above estimate is based on our judgement alone and that we have not performed any procedures to support the above estimate.

We trust the above information is satisfactory for your requests.

Yours truly,

Larry Beeston
President

LB/kl

APPENDIX G
1997 CITY OF WINNIPEG BUDGET AND
APPORTIONED COSTS

Apportioned City of Winnipeg's 1997 Tax Supported Budget

Type of Expenditure	Total Amount of Expenditure	Tax Supported	Tax Supported Expenditures per Capita
Corporate	\$188,925,444	\$188,925,444	\$295.38
Mayor's Office	\$833,454	\$833,454	\$1.30
Council	\$3,316,843	\$3,316,843	\$5.19
Board of Commissioners	\$2,201,397	\$2,201,397	\$3.44
City Clerks	\$5,286,744	\$5,245,044	\$8.20
Audit	\$891,626	\$891,626	\$1.39
Corporate Finance	\$10,095,446	\$10,095,446	\$15.78
Corporate Department	\$1,102,613	\$1,102,613	\$1.72
Assessment	\$11,155,621	\$11,155,621	\$17.44
Operations			\$0.00
Streets & Transportation	\$55,788,828	\$55,788,828	\$87.22
Civic Buildings	\$3,528,269	\$3,528,269	\$5.52
Water and Waste	\$3,232,660	\$1,457,660	\$2.28
Fire	\$66,111,149	\$63,634,710	\$99.49
Police	\$100,726,365	\$91,883,150	\$143.66
Social Services	\$61,928,260	\$19,239,128	\$30.08
Parks & Recreation	\$69,960,591	\$56,877,404	\$88.93
Libraries	\$19,991,036	\$17,334,918	\$27.10
Museums	\$609,835	\$609,835	\$0.95
Hydro-Street Lighting	\$8,378,000	\$8,378,000	\$13.10
Business Liason	\$688,591	\$688,591	\$1.08
Omsbudman	\$587,013	\$587,013	\$0.92
Race Relations Committee	\$74,715	\$74,715	\$0.12
Emergency Planning	\$189,564	\$187,564	\$0.29
Corporate Services	\$19,285,190	\$18,637,877	\$29.14
Land & Development Service	\$13,512,320	\$4,067,370	\$6.36
Community Services	\$13,144,040	\$10,018,668	\$15.66
Refuse	\$14,529,208	\$14,504,208	\$22.68
Total	\$676,074,822	\$591,265,396	\$924.43

City of Winnipeg 1997 Budget Summary Estimates

APPENDIX H

CITY OF WINNIPEG BY-LAW DEMONSTRATING TREATMENT OF CONDOMINIUMS

This document is an office consolidation of by-law amendments which has been prepared for the convenience of the user. The City of Winnipeg expressly disclaims any responsibility for errors or omissions. For a certified copy of the original enactment and amending by-laws, contact City Hall Information Service at 986-2171.

CONSOLIDATION UPDATE: MAY 17, 1995

THE CITY OF WINNIPEG

BY-LAW NO. 1340/76

A By-law of The City of Winnipeg to revise and consolidate certain By-laws relating to the storage, collection and disposal of solid wastes and the fixing, billing and collection of charges thereof.

THE CITY OF WINNIPEG, in Council assembled, enacts as follows:

SHORT TITLE

1. This By-law may be cited as the "Solid Waste By-law".

DEFINITIONS

2. Where used herein

"Animal and Agricultural Wastes" means manures, crop residues and like materials from agricultural pursuits, stables, kennels, veterinary establishments and other such premises.

amended 6595/95

"Apartment Block" means a residential building having not less than eight separate suites or living quarters, including nursing homes and senior citizen homes. The designated officer may, at his discretion, designate each separate living quarter of the apartment block as a residential premise, provided each separate suite or living quarter is provided with a separate and clearly identifiable yard.

amended 2229/79, 6595/95

"Ashes" means cold residue from the burning of wood, coal, coke and other like material for the purpose of cooking, heating buildings, and disposing of waste combustible materials.

amended 6595/95

"Bulky Wastes" means large items of refuse exceeding 34 kilograms (75 pounds) in weight or exceeding 1.5 metres (5 feet) in any direction, including large appliances and furniture, hot water tanks, mattresses and carpets, but excluding auto parts, regardless of size or weight.

amended 6455/94, 6595/95

"Construction and Demolition Wastes" means waste building materials and rubble resulting from construction, remodelling, repair, demolition or fire in houses, commercial buildings, pavements and other structures.

amended 6595/95

"Commercial Establishments" means banks, offices, hotels, restaurants, retail stores, drug stores, barber shops and similar business establishments and premises which are owned by or under the control and jurisdiction of the City and are occupied by authorized employees and officials of the City for the purpose of carrying out City business.

amended 6595/95

A **"Cycle"** wherever used in this By-law shall mean a five (5) day working period and all reference in this By-law to removal of garbage on a cycle basis shall be deemed to mean removal of garbage once for every five (5) day working period.

added 2229/79, amended 6595/95

"Designated Officer" means the City's Commissioner of Works and Operations or such other person as may be authorized by said Commissioner of Works and Operations to exercise some or all of the powers vested in him by this By-law.

amended 6595/95

"Dirt" means natural soil, earth, sand and stone.

amended 6595/95

"Garbage" means animal and vegetable waste, including food packaging material with residual food materials, resulting from the handling, preparation, cooking and serving of foods in households, institutions and commercial concerns; and market wastes resulting from the handling, storage and selling of foods in wholesale and retail stores and markets.

amended 6595/95

"Industrial Refuse" means wastes arising from, or incidental to the manufacture, processing or like operation in factories, processing plants, industrial processes and manufacturing operations and includes wastes such as putrescible garbage from food-processing plants and slaughterhouses, condemned foods and products, cinders and ashes from power plants and large factories, and miscellaneous manufacturing wastes.

amended 6595/95

"Mobile Home" means a place of abode that is not permanently attached to a foundation. For the purpose of this By-law, a group of mobile homes shall be treated either as a residential premise, if it contains less than eight (8) separate living quarters, or as an apartment block, if it contains eight (8) or more separate living quarters.

added 2229/79, 6595/95

"Other Wastes" means wastes, other than those herein defined, as determined by the Designated Officer.

amended 6595/95

"Person" includes firm, association, partnership and corporation.

amended 6595/95

"Premise" means a building or part thereof which is used by a person, corporation, firm, partnership, institution or association.

amended 6595/95

"Residential Premise" for the purpose of this By-law means a premise, or part thereof, used as a place of abode, up to and including seven separate units. The designated officer may, at his discretion, designate a property containing buildings with more than one residential premise as an apartment block.

amended 2229/79, 6595/95

"Rubbish" means "combustible"...."non-combustibles" ...and "yard rubbish" consisting of prunings, grass clippings, weeds, leaves, general garden wastes, residential trees and tree cuttings of not more than 0.9 metres (3 feet) in length or 100 millimetres (4 inches) in diameter in bundles not exceeding 34 kilograms (75 pounds), all exclusive of solid wastes otherwise classified herein.

amended 6455/94, 6595/95

"Solid Wastes or Refuse" means the useless, unwanted, or discarded solid materials resulting from normal community activities including semi-liquid or wet wastes with insufficient moisture and other liquid contents to be free flowing.

amended 6595/95

"Special Wastes" means "hazardous wastes" consisting of any waste that may present a hazard to collection or disposal personnel, or others, and includes wastes of a pathological, explosive, highly flammable, radioactive, or toxic nature; "security wastes" consisting of confidential documents, negotiable papers and like materials; and "other special wastes" consisting of materials so classified by the Designated Officer.

amended 6595/95

The words "**deposit**", "**maintained**", "**deliver**" include respectively depositing, placing, maintaining or delivering either personally or by means of a servant or agent.

amended 6595/95

"**Container For Back Lane Collection**" means a City container used for automated solid waste collection from residential premises and located in back lanes at sites designated by the Designated Officer.

added 5881/92, 6595/95

"**Container For Curb Collection**" means a City container used for automated solid waste collection from residential premises not served by a back lane.

added 5881/92, 6595/95

ADMINISTRATION

3. This By-law shall be administered by the Designated Officer of The City of Winnipeg.

RIGHT OF ENTRY TO PRIVATE PROPERTY

4. The Designated Officer may enter any grounds, yards, vacant lots for any purpose related to the administration of this By-law.

LANDS TO BE KEPT CLEAN

5. The owner or occupant of any grounds, yard or vacant lot shall cause the same to be kept free of solid wastes. The Designated Officer may enter upon any such property for the purpose of removing any solid wastes allowed to continue thereon contrary to this or any other by-law, and the cost of such removal may be recovered from the owner or added to taxes.

STORAGE OF SOLID WASTES

6. Every building, including a tent, auto-trailer, house or structure, shall at all times be provided with sufficient and suitable containers to hold all garbage, rubbish, and ashes. Such containers shall be furnished and maintained in the case of :

(a) Residential premise by each owner or occupant therein;

- (b) All other premises by the owner of the premises.

SUITABLE CONTAINERS

7. Containers for solid wastes shall meet the following requirements:

- (a) They shall be of a type approved by the Designated Officer and shall be loaded in such a manner that the contents may be easily removed by collection personnel and shall be:
- (i) Galvanized metallic material or other approved rust-resistant material, water-tight, not larger than 760 millimetres in height and 510 millimetres in width, or a capacity not exceeding 0.14 cubic metres, weighing not more than 11 kilograms and equipped with close-fitting cover and handles;
amended 3539/83
 - (ii) Tubular receptacles made of not less than 35 micron (.035 millimetre) opaque plastic with a 6 millimetre bar heat seal weld where required and kept tightly closed with suitable ties while containing garbage or rubbish;
amended 3539/83
 - (iii) Covered metal containers, as approved by the Designated Officer, of a size and type suitable for mechanically dumping into collection vehicles. Such containers shall be used in all locations where the quantity of solid waste equals or exceeds 1.5 cubic metres per week and where suitable conditions exist for mechanical collections;
amended 3539/83
 - (iv) Any other container approved by the Designated Officer.
amended 3539/83
- (b) In the case of the containers supplied under Paragraphs 7 (a) (i) and 7 (a) (ii) above, the combined weight of the container and its contents shall not exceed 34 kilograms.
amended 3539/83

- (c) All containers shall be maintained in a condition satisfactory to the Designated Officer and shall be kept clean and free of odour.

amended 3539/83

PLACEMENT OF CONTAINER AND BULKY WASTE

8. (i) In the case of property with an adjacent back lane, containers and bulky waste shall be placed in an area on the property being serviced immediately adjacent to the back lane and shall be easily accessible from the back lane.

amended 1531/77

- (ii) In the case of property not served by a back lane, containers and bulky waste shall be placed for collection on refuse pick-up days, and by such time as is designated by the Designated Officer, on the property being serviced immediately adjacent to the front property line and easily accessible from the street, except where the placement of the containers and bulky wastes does not restrict or inconvenience pedestrian or vehicular traffic the containers and bulky waste may be placed between the property line and the curb side.

amended 2229/79

- (iii) Any appliances, refrigerator or other container which has a snap lock or similar device shall have the door removed prior to its being put out for pick-up.
- (iv) Notwithstanding Paragraphs 8 (i) and 8 (ii), all properties using containers described in Paragraph 7 (a) (iii) shall place the container at an unobstructed location on the property suitable for handling with mechanical equipment.
- (v) Collections shall be made at a location and in a manner satisfactory to the Designated Officer.
- (vi) Where in his opinion the placement of garbage containers creates a nuisance or is aesthetically offensive to the neighbourhood, the Designated Officer shall have the power to direct the owner or occupant of the premises to appropriately screen the said garbage containers or move them to a location satisfactory to the said Designated Officer.

added 2510/79

STORAGE OF CONTAINERS

9. (a) Containers shall be stored in a manner approved by the Designated Officer, such that there is no harborage for rodents in or near the containers. Containers shall be held upright so that they cannot be easily toppled and in such a manner that will prevent animals from breaking bags and/or scattering the contents. The owner or occupant of the premises shall immediately clean up any spillage or scattering due to improper storage.
- (b) Containers specified in Paragraph 7 (a) (iii) shall be stored on a pad of sufficient size and to allow for manoeuvring of the container. The roadway providing access across private property to the containers specified in Paragraph 7 (a) (iii) shall be of such a design and structural strength to prevent damage to the roadway by the collection vehicle and to the collection vehicle.
- (c) Collections shall not be made from or containers returned to, any location or stand which, in the opinion of the Designated Officer, is unreasonable, inconvenient, or dangerous to the personnel and equipment carrying out collections. Containers shall be removed only from locations approved under this By-law.

GARBAGE TO BE WRAPPED

10. All garbage shall be strained to eliminate liquids and enclosed in sufficient paper or other like substance to completely enclose the contents and prevent any leakage or spillage and shall be securely tied or fastened prior to placement in containers. All garbage shall be enclosed in sufficient paper or other like substance to completely enclose the contents and shall be securely tied and fastened prior to placement in the containers.

ASHES NOT TO BE MIXED WITH GARBAGE OR RUBBISH

11. Ashes are to be stored in suitable receptacles approved by the Designated Officer and are not to be mixed with other garbage or rubbish. No person except with the permission of the Designated Officer shall deposit ashes on any public lane.

SPECIAL WASTES

12. No person shall place special wastes in a place for collection without prior approval of the Designated Officer.

UNAUTHORIZED HANDLING OF SOLID WASTES

13. (a) No person other than the owner or agent thereof, unless lawfully authorized to do so, shall pick over, interfere with, disturb, remove or scatter any solid wastes howsoever placed for collection.
- (b) All solid waste collected by the City, upon collection, and all refuse deposited at the disposal sites shall become the property of the City and no person shall separate, carry off or dispose of same except as authorized by the Designated Officer.

REMOVAL AND DISPOSAL OF WASTES

14. (a) The open burning of any solid waste is expressly prohibited.
- (b) The City will remove and dispose of all garbage, rubbish and ashes from all residential premises, churches, and charitable institutions on a cycle basis and from all apartment blocks on a cycle basis or up to twice a week as determined by the Designated Officer.
amended 2229/79
- (c) The City will remove all garbage, rubbish and ashes from commercial establishments on a cycle basis or up to twice a week in quantities not to exceed 1.5 cubic metres per pickup as determined by the Designated Officer.
amended 3539/83
- (d) The City will not remove solid or bulky wastes from premises other than as set forth in Sections 14(b), 14(c), 14(e) and 14(f) herein, and the owners of such non-serviced premises shall arrange for collection and disposal as individually required.
amended 6455/94
- (e) The City will remove and dispose of bulky wastes from all residential premises and apartment blocks upon specific application for each separate premises. The pick-up shall be at such times as may be determined by the Designated Officer, and upon payment of the amount set forth in Schedule "A". In the event the person applying for the service cancels their request no later than the day prior to the day of collection, no charge shall be made.
amended 6455/94, 6646/95
- (f) The City may remove solid wastes at the expense of the owner or occupant, if, in its discretion, the continuance of the solid wastes constitutes a threat to health, or safety. This may include construction and

demolition wastes, industrial and special wastes and animal and agricultural wastes.

- (g) The City may contract out the collection of any portion of the solid wastes generated within the City to any firm or individual.

CLEANING OF PRIVIES AND TEMPORARY CLOSETS

15. The owners or lessees of privies and temporary surface closets known as "contractors' closets" shall ensure that contents are regularly removed at their expense, in a manner approved by the Designated Officer.

CONVEYANCE OF WASTES

16. (1) Any load of solid waste or liquid waste that is conveyed in a vehicle, trailer or other conveyance shall be covered, or loaded or secured in such a manner that no portion of the load can escape. No person shall convey or cause to be conveyed any waste that is not covered or otherwise loaded or secured.

amended 5285/89

(2) A surcharge in accordance with Schedule "A", in addition to any other disposal charge, shall be added to the disposal charge for any load delivered to any landfill site or transfer station, not eligible for free disposal, where such load is delivered on a vehicle, trailer or other conveyance that is not covered or otherwise loaded or secured so as to prevent any contents thereof from escaping.

amended 5285/89

(3) No person shall allow any vehicle containing solid or liquid waste of an offensive nature to stand in any location for more than thirty minutes.

amended 5285/89

RECYCLABLE WASTES

17. The Designated Officer may from time to time make regulations requiring the separation, storage, and placement of specific recyclable wastes.

USE OF SANITARY LANDFILLS AND INCINERATORS

18. (a) Any person permitted to deliver or to deposit at City landfill sites or incinerators any waste, shall do so in accordance with this By-law and in accordance with any regulations established from time to time by the Designated Officer and not otherwise.

- (b) Solid wastes shall be deposited in such places and in such manner and at such times as may be directed by the Designated Officer and not otherwise. No person shall deposit or cause to be deposited any solid waste in any place in the City or additional zone other than those places approved by the Designated Officer as sanitary landfills and incinerators.
- (c) It shall be unlawful for any unauthorized person to frequent a City sanitary landfill site or incinerator for the purpose of salvaging, picking over, scattering, searching or burning of any material.
- (d) No person shall make any delivery or deposit any waste in a City sanitary landfill site or incinerator except during the hours of operations as established by the Designated Officer.
- (e) No person shall deliver or attempt to deliver any special waste to a City sanitary landfill site or incinerator without prior approval of the Designated Officer.
- (f) No person shall deliver or attempt to deliver any non-combustible wastes to any City incinerator.
- (g) Security wastes may be destroyed at a City incinerator, subject to prior authorization being arranged with the Designated Officer.
- (h) No person shall deposit any solid wastes at the City's sanitary landfills or the incinerator without paying disposal charges outlined in Schedule "A".

CHARGES FOR THE REMOVAL AND DISPOSAL OF WASTES

19. Charges for the removal and disposal of solid wastes are set out in Schedule "A".

GENERAL PENALTIES

20. (a) Any person who contravenes or disobeys, or refuses or neglects to obey, any provision of this By-law is guilty of an offence and liable, on summary conviction, to a fine not exceeding One Thousand Dollars (\$1,000.00) in the case of an individual or Five Thousand Dollars (\$5,000.00) in the case of a corporation, or, in the case of an individual, to imprisonment for a term not exceeding six months or to both such a fine and such an imprisonment and costs.
- (b) Where the contravention, refusal, neglect, omission, or failure, including failure to comply with a notice, order or direction given by the Designated Officer continues for more than one day, the person is guilty of a separate

offence for each day that it continues.

REMEDIAL WORK CARRIED OUT BY CITY ON PRIVATE PROPERTY

21. Where any owner, agent, lessee or occupier who has been given a notice, order or direction by the Designated Officer, or otherwise by the City, to do any act or thing to remedy any situation or condition existing on his property contrary to any part of this By-law and who neglects or refuses to comply with such order or direction within the time specified, the Designated Officer may order the work carried out and charge the cost of the work done to the owner, agent, lessee, or occupier, and in default of payment

- (i) recover the cost as a debt due to the City: or
- (ii) charge the cost against the land concerned as taxes due and owing in respect of that land and recover the cost as such.

REPEAL

22. All by-laws of the City of Winnipeg inconsistent with this By-law are hereby repealed.

23. This By-law shall come into force and take effect on the 1st day of February, 1977.

AUTOMATED SOLID WASTE COLLECTION

24. Notwithstanding anything to the contrary in this By-law:

- (a) The Designated Officer may designate any area of the City for automated solid waste collection through the use of containers for curb collection or containers for back lane collection.

added 5881/92

- (b) CURB COLLECTION

- (i) The City shall distribute one container for curb collection, to each residential premise that is within an area designated by the Designated Officer for automated solid waste collection.

- (ii) Where containers for curb collection are so distributed, the occupants of the residential premise receiving such a container shall:

- I. deposit only garbage, rubbish and ashes for collection by

the City in the container:

II. on collection days, move the container to a place on the street adjacent to the curb adjoining the residential premise;

III. following collection remove the container from the street:

- (iii) The owner of the residential premise may purchase one additional container from the City.
- (iv) Where a container for curb collection is lost or is damaged beyond being able to be functionally used, the owner of the residential premise to which the original container was assigned shall purchase a replacement container from the City.

added 5881/92

(c) BACK LANE COLLECTION

- (i) The City shall locate containers for back lane collection from residential premises at sites designated by the Designated Officer.
- (ii) Where containers for back lane collection are so located, the occupants of residential premises adjoining the back lane shall deposit garbage, rubbish and ashes for collection by the City in the unfilled container nearest the residential premise from which the garbage, rubbish and ashes originated.

added 5881/92

(d) COMMERCIAL ESTABLISHMENTS

- (i) Where a commercial establishment is located in an area of the City designated by the Designated Officer for automated solid waste collection, the City shall remove all garbage, rubbish and ashes from such establishments on a cycle basis in a quantity not to exceed 2.25 cubic metres per pickup.
- (ii) Commercial Establishments eligible for pickup service in accordance with subsection (d)(i) shall provide covered containers of a size and type suitable for automated solid waste collection as approved by the Designated Officer.
- (iii) The City shall not remove solid waste from commercial establishments not providing containers in accordance with subsection (d)(ii) and the owners of such non-serviced premises shall arrange for collection and disposal as individually required.

added 5881/92

(e) APARTMENT BLOCKS

- (i) **Apartment blocks** located in an area of the City designated by the Designated Officer for automated solid waste collection may provide at their cost covered containers of a size and type suitable for automated solid waste collection as approved by the Designated Officer.
- (ii) Where apartment blocks are not provided in accordance with subsection (i), owners of such apartment blocks shall arrange for supply at their cost of covered metal containers suitable for mechanical dumping into collection vehicles.
added 5881/92

(f) CHURCHES AND CHARITABLE INSTITUTIONS

- (i) Where churches and charitable institutions are located in an area of the City designated by the Designated Officer for automated solid waste collection, the City shall provide the suitable container and remove all garbage, rubbish and ashes from such establishments on a cycle basis in a quantity not to exceed 0.45 cubic metres per pickup on the cycle basis.
- (ii) Churches and charitable institutions that exceed 0.45 cubic metres per pickup on the cycle basis may provide at their cost covered containers of a size and type suitable for automated solid waste collection as approved by the Designated Officer.
- (iii) Where churches and charitable institutions are not provided in accordance with subsection (f)(ii) owners of such premises shall arrange for supply at their cost of covered metal containers suitable for mechanical dumping into collection vehicles.
added 5881/92

(g) REFUSE LOCATED OUTSIDE A CONTAINER

All garbage, rubbish and ashes for collection shall be placed in the designated container and the City shall not collect any garbage, rubbish or ashes not placed inside the designated container.

added 5881/92

(h) PROHIBITIONS

No person shall:

- (i) deposit solid waste into a container for back lane or curb collection originating from outside an area designated by the Designated Officer for automated solid waste collection;
- (ii) move any container for back lane collection from the site designated by the Designated Officer, without first obtaining his written permission;
- (iii) damage or deface any container for curb or back lane collection;
- (iv) deposit solid waste originating from commercial premises into containers for back lane or curb collection for residential premises.
added 5881/92

DONE AND PASSED. in Council assembled, this 21st day of July, 1976.

**THIS IS SCHEDULE "A" REFERRED TO IN BY-LAW NO. 1340/76 OF
THE CITY OF WINNIPEG**

SCHEDULE "A"

Charges for the Collection and Disposal of Solid Wastes

Collection and disposal of solid waste in accordance with Paragraphs 14(b) and 14(c)	No charge
Collection and disposal of bulky wastes in accordance with Section 14(e)	\$10.00 per premises per collection (including G.S.T.)
Late payment charge after 3 months	\$25.00
Interest rate on arrears	12% per annum
Disposal of any load of privately delivered solid wastes originating from a residential premises or apartment block	Loads 0-1 tonne in weight - \$2.00 per load; Loads in excess of 1 tonne - Total load charged at rate of \$40.00 per tonne. effective July 1, 1994.
Disposal of solid wastes delivered to sanitary landfill sites in accordance with Paragraph 14(d)	\$40.00 per tonne. effective July 1, 1994.
Collection and disposal of special wastes	At cost calculated by the Designated Officer
Surcharge to be added for any load that is not covered or otherwise loaded or secured in accordance with subsection 16(2)	\$50.00 per load

amended 6455/94

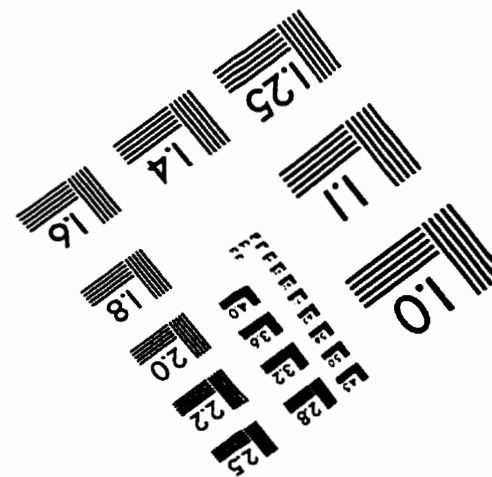
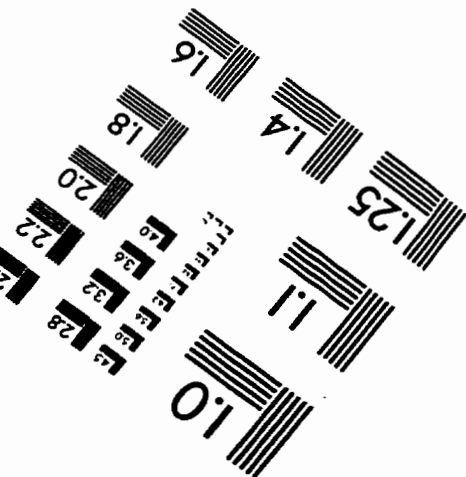
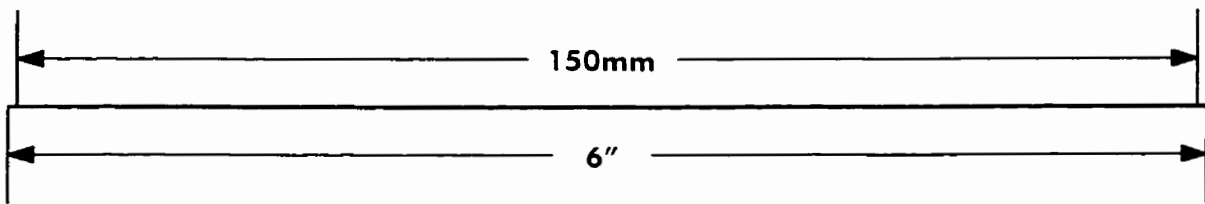
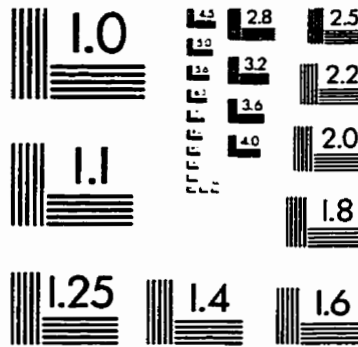
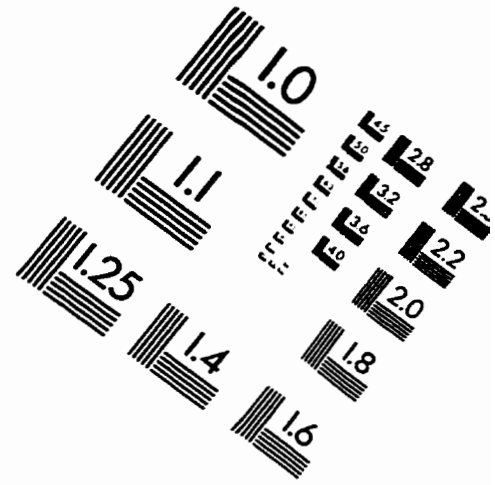
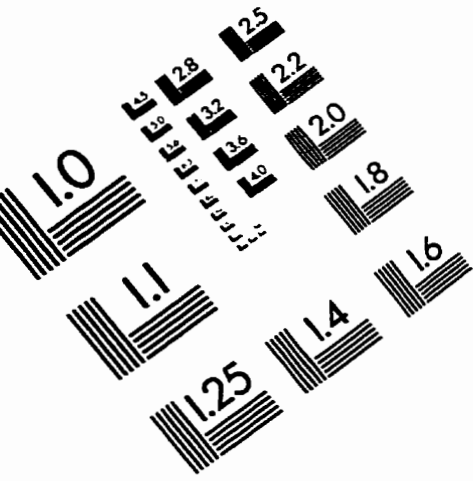
THIS IS SCHEDULE "B" REFERRED TO IN BY-LAW NO.

1340/76 OF THE CITY OF WINNIPEG

SCHEDULE "B"

repealed 2229/79

IMAGE EVALUATION TEST TARGET (QA-3)




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