

Understanding the property assessment roll

WHO DOES WHAT?

- Under the Act respecting Municipal Taxation, (formerly the Real Estate Assessment Act), the assessment department of the MRC des Laurentides creates and maintains the real estate assessment roll for the 20 municipalities that make up its territory.
- While the MRC is responsible for establishing property assessments, it is important to remember that **it is the municipalities that are responsible for taxation**. Following deposition of the rolls, it is incumbent upon each municipality to do its annual budget and determine the rate of taxation to be applied **based on its financial needs**.

WHAT IS THE PURPOSE OF PROPERTY ASSESSMENT?

- It is used to finance municipal organizations and school boards.
- The duty of an assessment department is to create assessment rolls that are in line with the local reality and to see to it that the documents become real tools for our municipalities with respect to the distribution of tax monies.

PROPERTY TAX OR REAL ESTATE TAX:

CONTRIBUTES TO MAINTAINING AND IMPROVING THE QUALITY OF LIFE YOU ENJOY

Assessed value of your property	Municipal tax rate	Amount of land-related tax account
Example	Example	Example
\$100,000	\$1.50 per \$100	\$1,500

PROPERTY ASSESSMENT AND MUNICIPAL ASSESSMENT ARE THE SAME THING.

UNDERSTANDING THE PROPERTY ASSESSMENT TO BE AGGREGATED

The property assessment roll is an inventory of all the immovable property located in each local municipality. The *immeuble* or immovable property designates the land, the main building if there is one, and any outbuildings such as a garage or shed.

- It states the assessed value of immovable properties according to the various neighbourhood units on a specific date. A neighbourhood unit aggregates the real estate into one district having similar characteristics.
- The assessment roll (or assessment ledger) reflects the trend in the real estate market. As a result, a rising market will contribute to an increase in the assessment roll.

THE PROPERTY ASSESSMENT REFLECTS THE REAL ESTATE MARKET TREND.

ACTUAL OR MARKET VALUE

- In the field of property assessment, **the concepts of price and value differ**. Because the fiscal responsibility must be distributed evenly among all the taxpayers in a municipality, the notion of most probable value is used, as defined in the Act respecting Municipal Taxation. For example, in the **triennial (three-year) roll for 2014-2015-2016**, the market value represents the price that buyers paid on average for a comparable type of house **on July 1, 2012**.

YOU SHOULD BE AWARE that the sales prices of properties in your neighbourhood can influence the assessment of your property. An analysis of all real estate transactions is done in order to make adjustments and determine the market trend. When several properties in a district are sold at prices above their assessment, it is assumed that this market trend applies to all the properties in the same neighbourhood unit. This occurs even if there has not been any improvement to the building or the land.

APPEARANCES CAN BE DECEIVING

Your house and that of your neighbour may look alike, but factors such as the quality and complexity of construction, a finished basement, the age of the building, the type of garage, the surface area, topography or character of the land may influence the assessment results. So two houses that look identical can have different assessments if they are located in different districts of the municipality or if they are subject to different measurable market forces.

2013-2014-2015

ASSESSMENT METHOD

To determine the value of a property, there are three recognized methods the evaluator can use:

- The **cost method** consists of estimating the value of a property by establishing its replacement cost;
- The **comparative sales method** consists of an analysis of the sales of properties in a neighbourhood unit having similar characteristics.
- The **revenue method** is used for properties generating revenues, particularly residential rental buildings and various types of non-residential buildings.

TRIENNIAL ROLL

- The assessment roll is filed for three years, whence the name “triennial” roll. The values it lists take into account the real estate market conditions on July 1 of the year preceding the deposition of the roll. As a result, the values registered in the **2014-2015-2016** assessment rolls reflect the market value on **July 1, 2012**. As you may know, the evaluator who signs the rolls must be a member of the Ordre des évaluateurs agréés du Québec

ASSESSMENT REVIEW: INFORM YOURSELF FIRST

- If you disagree with your assessment, become informed so that you avoid doing anything pointless. Individual and group information sessions may be held in the municipalities following the deposition of the new roll and an assessor from the MRC assessment department will be there to answer your questions.
- Before you contest the assessment, do your homework! Only serious grounds justify a request for review. You should have significant evidence to support your arguments. It's not a matter of checking the value increase against the former assessment or the difference between your assessment and those of your neighbours. Better to ask the question: does the amount reflect the value of my property on the assessment date, which is July 1, 2012, for the 2014-2015-2016 triennial roll? If you answer yes, it would be very difficult to make submissions to an administrative tribunal. Don't forget, the burden of proof is your responsibility.
- Respect the deadlines: the request for review must be made before May 1st of the first year that the new assessment roll goes into effect.