

^[12] Canadian justice review board

Hi Jack, (cc's to Liz)

Re our conversation about the history of assessments. I believe that paragraph 4 alludes (politely) to the problems that crept into the system before the Province took it over for the 25 year period from 1967 and 1991. Then the so-called not-for-profit corporation owned by and funded by the 444 municipalities (first called OPAC and then MPAC) was created. The Ontario Government seems to go to considerable lengths to distance itself from MPAC and makes clear on its website that MPAC is not a provincial crown corporation.

History of Assessment and Property Taxes in Ontario

1793-2003 By Mac Sprowl

Chairman of The Halton Hills Homeowners Association

The first property Tax Legislation in Ontario, was the Assessment Act which was enacted in 1793. Whereby all inhabitants of Upper Canada, with property value of 50 pounds or more were taxed. Property Taxation was adopted in Ontario in the 1850's. Before income tax but after import and export taxes. Each village collected taxes from property owners, in proportion to the value of their property in the village. None of the money collected went outside the village. Their system was based on 2 parts: A assessed value, and B application. Across a small community where interests and values were similar. But only one part of the 150 year old system has been kept in place use assessed value. The local interest and value part has disappeared.

Another tax came into being in 1917. Income Tax, to pay off War debt of World War 1. Which we have gone through and the great depression in the 1930's. Also the second world war 1939-1945. They still have Income Tax which is a *progressive tax*. The Canadian Chamber of Commerce did an in depth study of all taxes Ontario people paid. That of 44 taxes, one could pay from the cradle to the grave, 43 were regressive and only Income tax progressive. Property tax was the worst because it was so complicated.

In 1967, the Ontario Committee on Taxation Smith Committee first documented the inequitable problem in the property tax system and the need for tax reform.

The committee found that not only were there inconsistencies in the assessments between municipalities. But also between similar properties within a single municipality. In 1986, the residential property tax reduction program was introduced. In 1970, the province took over the assessment functions. Relieving municipalities from the cost of the function, the province's objective was to achieve equity between municipalities and between property owners within each municipality. The province began reassessment at full market value section. 70 of all the assessment act now section 63 to complete it for taxation in 1975. In 1977 the Blair Commission report was received by the government. In 1985 the minister of revenue established a committee to review the practice of assessment and property taxation in Ontario.

In 1991 the fair tax commission was established to help the government to study and design and implement. A more

equitable tax system for the province. The fair tax commission cost was 9 million dollars for the 3 year study. A report of 1,200 pages and after 15,595 briefs presented to the commission there were 5,000 printed copies. With 112 recommendations brought forward.