

City of Belleville

Report No: MTF-2025-01

Meeting Date: February 20, 2025



To: Mayor and Members of Council
Department: Finance
Staff Contact: Andrea Steenburgh, Manager of Taxation

Subject: 2025 Property Assessment Analysis

Recommendation:

“THAT Report No. MTF-2025-01 regarding 2025 Property Assessment Analysis, be received.”

Strategic Plan Alignment:

The City of Belleville’s Strategic Plan identifies nine strategic themes. This report aligns with each of the City’s nine strategic themes and the City’s mission statement by providing innovative and efficient services in support of our community’s vision.

Background:

The 2020 assessment roll represented the final year of the province-wide assessment update based on the January 1, 2016, valuation date. Eligible assessment increases were phased-in over the 4-year period 2017-2020. Any decreases in assessment at the January 1, 2016, valuation date were recognized in their entirety in 2017.

Pursuant to regulation, 2021 was planned to be the first year of the next assessment cycle with properties to be based on January 1, 2019, values. To mitigate the effects of the COVID-19 pandemic, the Province elected to defer the re-assessment and the municipality is still awaiting confirmation on when the next assessment cycle will be.

Assessed values continue to be based on a January 1, 2016 valuation date, with changes in assessment representing new or supplementary assessments added and tax adjustments through appeals, classification adjustments, etc.

Financial/Analysis:

2025 Returned Assessment

Based on the 2025 returned assessment, the City of Belleville has 21,508 properties with a total assessment value of \$6.9 billion. Included in this total is \$458.5 million in “exempt” assessment which represents 6.60% of total assessment for the City. Examples of some of the significant exempt properties include but are not limited to Municipal property, Schools, Hospitals, and Churches.

The City’s assessment base is comprised of various property classes as outlined below:

City of Belleville Assessment								
Property Class	2024 to 2025				2024 to 2025			
	Total 2024 Assessment	Growth	Phase In (Equity)	Total	Total 2025 Assessment	Growth	Phase In (Equity)	Total
Residential	4,474,846,050	66,794,100	-	66,794,100	4,541,640,150	1.49%	0.00%	1.49%
Multi-Residential	299,300,600	17,589,700	-	17,589,700	316,890,300	5.88%	0.00%	5.88%
Commercial	1,187,431,895	129,122,326	-	129,122,326	1,316,554,221	10.87%	0.00%	10.87%
Industrial	184,085,800	(8,531,226)	-	(8,531,226)	175,554,574	-4.63%	0.00%	-4.63%
Aggregate	-	3,185,500	-	3,185,500	3,185,500			
Other	26,069,000	215,000	-	215,000	26,284,000	0.82%	0.00%	0.82%
Farms	105,327,700	(1,566,100)	-	(1,566,100)	103,761,600	-1.49%	0.00%	-1.49%
Total Taxable	6,277,061,045	206,809,300	-	206,809,300	6,483,870,345	3.29%	0.00%	3.29%
Exempt	446,422,200	12,072,100	-	12,072,100	458,494,300	2.70%	0.00%	2.70%
Total Assessment	6,723,483,245	218,881,400	-	218,881,400	6,942,364,645	3.26%	0.00%	3.26%

As there is no phase-in for 2025, the change in assessment is solely attributable to new assessment (growth) net of any reductions in assessment. Assessment growth reflects construction, additions, improvements, and changes in property use. Reductions in assessment can occur due to the settlement of requests for reconsideration, appeals, demolition and change in property use.

Residential Assessment

In 2024, residential assessment increased by 1.49% or 66.8M (2023 - \$52.9M). Assessment in this area has increased from the prior year and is in line with increased efforts to stimulate and accelerate housing supply. Both Provincial and Federal policy and funding have been directed towards continued growth in this sector, and the City of Belleville continues to be on track with the increased residential housing targets set for it under Provincial policy.

Multi-Residential Assessment

In 2024, the renovation, finalization and occupancy of Multi-Residential properties provided a significant increase to this assessment base totaling \$17.6M, representing an increase of almost 6%. Growth in this area was predominantly seen in the Belleville Urban area, and similar to the residential portfolio this is in line with strategic housing priorities of delivering more housing units within the community.

Commercial Assessment

In 2024, a significant Commercial property assessment was added to the Belleville Urban portfolio. This is the main reason for the 10.87% increase in this portfolio, totaling over \$129M.

Industrial Assessment

Industrial Assessment contraction occurred in the year, with a decrease totaling \$8.5M, some of this decrease was the result of Aggregate Extraction properties moving to this new property class. Additional reductions were due to an Assessment Review Board Decision and Classification change due to use of property.

Aggregate Extraction Assessment

For 2025 a new Aggregate Extraction property class has been put in place. Assessments for these types of properties were updated in 2024 as a result of an Assessment Review Board (ARB) decision. The updated assessments moved several of these properties from the Residential Tax Class to the Industrial Tax Class and updated values to reflect the methodology and approach outlined in the ARB’s decision. As a result, the Ministry of Finance amended the regulation to establish a new property class with restrictions on the tax ratios that could be utilized. The City of Belleville Aggregate Extraction tax ratio has been set at 1.952895 (Industrial ratio is currently 2.4).

Tax Rate Billing Tables

Belleville has four “service” or “tax billing” areas; Belleville Urban, Cannifton Urban, Cannifton Rural and Belleville Rural. Each area receives certain services and is impacted by the yearly budget for these services through their property taxes.

				Starting in 2025
Table 1 Urban Belleville	Table 2 Urban Cannifton	Table 3 Rural Cannifton	Table 4 Rural Belleville	Table 5 Rural to Urban
Urban Police	Urban Police	Urban Police	Rural Police	Urban Police
Urban Fire	Urban Fire	Rural Fire	Rural Fire	Urban/Rural Fire
Transit				
Street lighting	Street lighting	Street lighting		Streetlighting

Fire Master Plan

Fire response is one of these area rated services, and with the approval of the Fire Master Plan in 2024, the urban fire response area is being expanded to include properties that are transitioning from the rural fire response area. Taxation impacts for these properties (Table 5 - Rural to Urban above) will be transitioned over a five-year period, beginning in 2025.

Ultimately, both of the urban tax billing areas will see relief in their annual taxes as the rural properties are transitioned to urban servicing and begin contributing to the urban fire budget. Those in the rural tax billing areas will see increases because the transitioning properties will no longer be contributing to the rural fire service costs. Properties transitioning from rural to

urban services will see the greatest increase in tax billing given the proportionate costs of service.

The following table outlines the relative shift in assessment by billing table from 2024 to 2025 as well as their proportionate share of total assessment:

Property Area	2024 Assessment (Reclassified) (\$M)	2025 Assessment (\$M)	Change in Assessment (\$)	% Change in Assessment (%)	Share of Total Assessment (%)
Belleville Urban	4,983,344,736	5,168,007,136	184,662,400	3.71%	74.44%
Cannifton Urban	77,173,600	77,225,600	52,000	0.07%	1.11%
Cannifton Rural	30,219,100	30,261,100	42,000	0.14%	0.44%
Rural	964,408,800	970,559,300	6,150,500	0.64%	13.98%
Rural to Urban	668,337,009	696,311,509	27,974,500	4.19%	10.03%
Total Assessment	6,723,483,245	6,942,364,645	218,881,400	3.26%	100.00%

Within the City's property areas (billing tables), the Cannifton Rural to Urban section is experiencing the highest percent change in assessment at 4.19%. This increase continues to be spurred by high residential property growth in this area. The Belleville Urban area has the largest assessment value increase at \$184.6 M, largely driven through significant commercial assessment growth. This area has the largest proportion of property assessment at 74%.

Assessment at Risk

Assessment at Risk resulting from appeals launched by taxpayers. Taxpayers in all classes, who disagree with MPAC's assessment of their property value or classification, can submit a Request for Reconsideration (RFR) to MPAC. The deadline for submitting a RFR is provided on each Property Assessment Notice. As all municipalities issue tax bills based on returned assessment, any subsequent appeal constitutes a potential liability for the City. In recent years, we have witnessed many Commercial appeals which have resulted in significant reductions in assessment.

Since 2016, there have been 1,338 properties with Assessment Appeals. Current open and unresolved appeals has a total assessment being challenged by taxpayers totaling approximately \$145 million, which translates to Municipal taxes of \$4.3 million. As tax appeals commonly take several years to be resolved, the eventual expenditures resulting from current outstanding claims would be determined over years to come. It should be noted that this calculation does not include any assessment appeal in 2025.

Since 2017, the City has paid out approximately \$13.6 million in tax adjustments from Assessment Review Board and Request for Reconsideration Appeals, Post Roll Amendments, Amended Notice Adjustments, and Classification changes:

Year	Tax Adjustments	Budget
2017	3,528,087	3,550,000
2018	1,379,715	3,550,000
2019	377,376	3,550,000
2020	2,448,228	3,500,000
2021	155,703	3,500,000
2022	3,743,609	3,575,000
2023	899,060	3,242,000
2024	1,064,669	3,127,000
	13,596,448	27,594,000

The City has budgeted aggressively for appeals and tax adjustments since 2017, with residual funds being allocated to the Tax Rate Stabilization reserve fund to provide funding availability for assessment at risk. Below is the projected transfer to the Tax Rate Stabilization Reserve fund based on the preliminary 2024 tax adjustments and supplemental taxes:

2024 Results	Actual	Budget	Variance
A. Tax Adjustments - Municipal Only			
Charity Rebates	- 107,926.06	- 115,200.00	7,273.94
Seniors & Disabled Rebates	- 431,857.69	- 362,400.00	- 69,457.69
	- 539,783.75	- 477,600.00	- 62,183.75
B. Tax Adjustments - Assessment Changes			
Tax Adjustments - Core and Other	- 471,829.41	- 3,100,000.00	2,628,170.59
Tax Adjustments - PILS	- 22,439.78	- 27,000.00	4,560.22
Adjustment to Allowance Estimate	- 570,400.00	-	- 570,400.00
	- 1,064,669.19	- 3,127,000.00	2,062,330.81
C. Supplementary Tax Revenue			
Tax Supplementary & Omitted	5,738,192.75	4,400,000.00	1,338,192.75
Tax PIL Supplementary & Omitted	-	-	-
	5,738,192.75	4,400,000.00	1,338,192.75
Projected Transfer at Year End			3,338,339.81

As the timing of an appeal decision is generally unknown and the magnitude of successful appeals can be significant, it is critical that funding is maintained in the Tax Rate Stabilization Reserve Fund to adequately accommodate against these potential financial risks. For 2024, approximately \$3.3M is projected to be transferred to this reserve fund.

For 2025, a budget of \$2.0 million is proposed for tax write-offs as well as \$1.0 million transfer to the Tax Rate Stabilization reserve fund. This funding combined with the reserve fund balance is important to allow the City to fund outstanding and potential appeal settlements in 2025 and beyond.

Supplementary and Omitted Assessments

Assessment increases that occur after the annual assessment roll has been returned are liable for property taxation. These assessment increases can be supplementary - arising from changes to property values (triggered by building construction), classification, or tax-exempt status - or omissions from the roll when it was returned. Omitted assessments can only be issued for the two preceding tax years.

MPAC is responsible for notifying property owners of any change in property value resulting from a supplementary or omitted assessment. The City issues supplementary/omitted tax bills upon notification by MPAC. A summary of annual supplementary and omitted tax bills is outlined below:

Year	Supplementary Tax Bills	Budget
2017	3,041,394	1,000,000
2018	1,988,406	1,000,000
2019	1,870,531	1,500,000
2020	1,962,672	1,600,000
2021	1,911,006	1,800,000
2022	1,056,457	1,900,000
2023	1,086,435	1,900,000
2024	5,738,193	4,400,000
	18,655,093	15,100,000

In 2024 there was a significant increase in supplementary and omitted taxes, however this activity is isolated and continuation of building activity at this rate is not expected. With continued focus on housing activity and commercial and industrial building activity, it is expected that the City should generate \$1.74M in supplementary and omitted taxes in 2025.

Conclusion:

The City has benefited from considerable residential growth in recent years. However, continuing commercial tax appeals have and continue to pose a significant cost and financial risk to the City. Staff continues to monitor these issues and has developed Operating Budget provisions to ensure any future liabilities are addressed.

Approved by:

Brandon Ferguson, Director of Finance, Treasurer
 Doug Irwin, City Clerk
 Matt MacDonald, Chief Administrative Officer

Status:

Approved - 20 Jan 2025
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