

Newfoundland and Labrador Property Assessment Guide



Municipal
Assessment
Agency Inc.

We Value Your Communities



Newfoundland and Labrador Property Assessment Guide

Contact Us

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Municipal Assessment Agency Overview

Who is the Municipal Assessment Agency?



Municipal
Assessment
Agency Inc.

The Municipal Assessment Agency (MAA) offers ethical and equitable property assessment services within Newfoundland and Labrador to all municipalities that has an active property tax system, with the exception of the City of St. John’s. As a Crown-owned Corporation, we are responsible for both residential and commercial property assessments. We provide residents and municipalities with their real property values annually. We collect market information and property data to create a detailed inventory of property details that are used to calculate market value. Our professional assessors conduct site visits, collect photographs, and use aerial imagery and other tools to update property details.

Working closely with municipalities, we ensure residents are informed about their property assessment as these values are utilized for municipal property tax purposes. A ten-person Board of Directors governs the MAA, representing taxpayers, municipal staff, and elected officials. Six municipal representatives are elected by a mail- in ballot. One Director is appointed by the Professional Municipal Administrators (PMA), and one by Municipalities Newfoundland and Labrador (MNL). The remaining two positions are appointed by the province and represent the interest of citizens.

What is a Property Assessment?

Property assessment for taxation purposes and its administration is a complex and technical process that is vital to the financial health of municipal government. Property assessment is the process of establishing a dollar value for property for tax purposes. Property tax is an “according to value tax” based on the principle that the amount of tax paid should depend on the value of the property owned. Although income and sales taxes are the main sources of revenue for the provincial and federal governments, property tax remains the primary source of revenue for municipal government.

Property tax helps finance municipal government services such as garbage collection, water and sewer, parks, recreational facilities, and fire services. Assessed values of properties must be accurate so that the tax burden will be distributed fairly within the municipality, ensuring the public will have confidence in the municipal council and the local tax administration team.

Assessment Act, 2006.

The **Assessment Act, 2006** is a legislated document that regulates the assessment of real property. The *Assessment Act, 2006* outlines the law for the public, municipalities, and the Municipal Assessment Agency.

The current version is:

ASSESSMENT ACT, 2006

Amended

2012 c28; 2018 c34

CHAPTER A-18.1

*AN ACT RESPECTING THE ASSESSMENT OF REAL PROPERTY FOR THE PURPOSE OF THE
IMPOSITION OF REAL PROPERTY TAXES*

Assessment Act, 2006 — Section 17: Assessment of Real Property states:

- (1) An assessor shall assess property at actual value.
- (3) In forming an assessment for the purpose of subsection (1) an assessor shall have regard to the assessment of other properties in the city or municipality being assessed to ensure that the taxation falls in a uniform manner upon the real property that is subject to taxation in the city or municipality.

Although the *Assessment Act, 2006* defines **Actual Value**, **Market Value**, **Assessment Uniformity**, and **Base Date**, the following provides some additional context.

Actual Value: means that value being the **Market Value** of the fee simple interest in the real property.

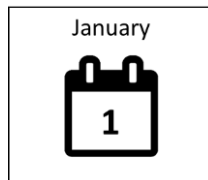
Market Value: is the most probable price (in terms of money) which a property buyer may pay in a competitive and open market under all conditions requisite to a fair sale.

Uniformity of Assessment: The idea of uniformity implies that the assessor, using standardized and acceptable assessment procedures, considers all similar properties to the one being assessed. Therefore, the value of two similar properties should be comparable.

Base Date: is the date that the values of the properties in a municipality are set for that particular assessment cycle. Any supplementary assessments carried out after this date will still be included within this assessment cycle.

The Assessment Process

In Newfoundland and Labrador, excluding the City of St. John's, the market values are set on **January 1** of every calendar year as required by the *Assessment Act, 2006*. In the City of St. John's, the market value is set every two years.



Ratepayers are mailed their assessment notices in **June** of every year by the Municipal Assessment Agency. If a ratepayer wishes to appeal their assessment, they must do this within 60 days from the date printed on their assessment notice. See **Appendix A** for a sample property assessment notice.



The Assessment Roll

The assessment roll is the public document produced by the Municipal Assessment Agency as directed by the *Assessment Act, 2006* and provided to each municipality with an active property tax system. The assessment roll shall be available for public viewing in the office of the municipal clerk in a format determined by the municipal clerk.

The assessment roll contains a list of property values and business tenant values assessed within the municipality. Information printed on the roll includes: owner name(s), civic address, and property value of each real property. (*Assessment Act, 2006* - Section 11: Contents of a roll).

The Role of the Assessor

Assessor Responsibilities

Our professional assessors measure the market value and report how it reflects on all the properties within the municipality. MAA assessors assessed over 210,000 properties in 2022.

The MAA assessors:

- conduct on-site inspections
- take photographs of the property
- review aerial imagery
- review the registry of deeds for property sales records
- review properties based on requests
- review surveying documents



Assessor's Rights Outlined by the *Assessment Act, 2006*

***Assessment Act, 2006* — Section 7: Right to Access**

- An assessor may, at reasonable times, without a warrant, enter real property for the purpose of carrying out a duty imposed on the assessor by the *Assessment Act, 2006* and a person shall not refuse entry to the assessor.
- The person who was written for information has **45 days** from the date of delivery or mailing to provide all the information within his or her knowledge or possession. Any information the person is unable to provide should be noted in the correspondence.

***Assessment Act, 2006* — Section 8: Requested Information**

- All information concerning the property that would help the assessor is required to be provided by any adult present at the time of the visit.

***Assessment Act, 2006* — Section 9: Assessor Not Bound by Returns**

- An assessor may assess the real property to determine, in the opinion of the assessor, the actual value of the real property.
- If a person claims ownership of a property and the assessor has reason to believe that the individual in question does not have legal title to it, the assessor can leave the person's name off the assessment roll.
- An assessor or a commissioner is not bound by information given nor shall that information excuse the assessor or commissioner from making an inquiry to ascertain its correctness.

***Assessment Act, 2006* — Section 47: Penalty for Not Providing Information**

- A person who refuses entry to an assessor or a commissioner as required by section 7 or otherwise willfully obstructs or interferes with an assessor or a commissioner in the performance of the duties of or the exercise of the powers granted to the assessor or commissioner under this Act is guilty of an offence and liable on summary conviction.

Conducting On-Site Assessments

Residential Assessments

If the property owner/resident/tenant can provide entry, the assessor will:

- Provide an introduction at the door, and include an explanation for the on-site inspection (assessors wear a MAA safety jacket or safety vest, and their MAA ID will be visible)
- Take area measurements using measurement tools; all buildings including outbuildings will be measured
- Perform an interior inspection (all floors, common areas, storage, and any basement)
- Record all relevant data for the inspection such as: building dimensions, outbuilding details, basement finish, etc.
- Take pictures of the property for MAA records
- Compile all information and input data into the Municipal Assessment Agency database



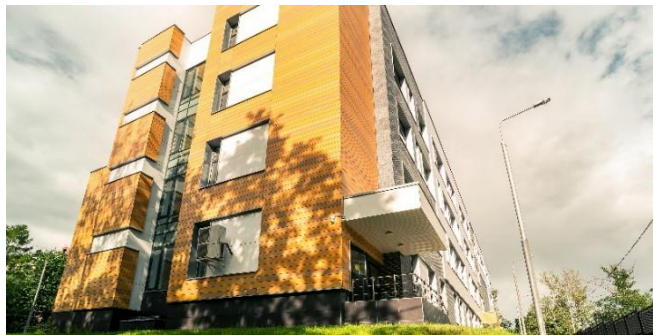
If the property owner/resident/tenant **cannot** provide entry, the assessor will:

- Record the visit as an outside on-site inspection
- Take area measurements using measurement tools; all buildings including outbuildings will be measured
- Record all relevant data for an exterior inspection
- Take pictures of the property for MAA records
- Leave a notice of visit on the premises stating an assessor attempted to visit the property
- Compile all information and input data into the Municipal Assessment Agency database

Commercial Assessments

If the property owner or tenant can provide entry, the assessor will:

- Introduce themselves to the property owner, manager or tenant and provide an explanation for the site inspection (assessors wear a MAA safety jacket or safety vest, and their MAA ID will be visible)
- Confirm the lease information and investigate any sales
- Take area measurements using measurement tools; all buildings including outbuildings will be measured
- Perform an interior inspection (all floors, common areas, storage, and any basement)
- Record all relevant exterior data
- Confirm that all tenants on the report exist
- Document the tenant area and location within the building and its usage (i.e. first floor, basement, warehouse, etc,)
- Create a sketch showing all measurements
- Add any new tenants and delete those that are no longer occupying the property
- Confirm all legal business names, trade names, and mailing addresses of all commercial businesses on the property
- Take pictures of the property for MAA records
- Compile all information and input data into the Municipal Assessment Agency database



If the property owner or tenant **cannot** provide entry, the assessor will:

- Record the visit as an outside on-site inspection
- Take area measurements using measurement tools
- Record all relevant data from an exterior inspection
- Create a sketch of the structures showing all measurements
- Take pictures of the property for MAA records
- Compile all information and input data into the Municipal Assessment Agency database

Assessment Roll Maintenance

There are routine assessment roll maintenance practices that are essential to maintaining an accurate assessment roll for a municipality. The municipal clerk plays an important part in keeping the roll up to date and accurate. This is especially important since falling behind on assessment roll maintenance may mean loss of property tax revenue and unnecessary delays in preparing and distributing the assessment roll and notices.

How to Request a Supplementary Assessment

The Municipal Clerk should send a Supplementary Request Form as needed by email at least every month to the MAA at customerservice@maa.ca.

Where a major change in the nature or use of a property impacts significantly on the property or business tax, the municipality can request a supplementary assessment. This is to ensure that taxes reflect the new value of the property in question.

The Assessment Act, 2006 — Section 24: Supplementary Assessment defines when it is considered necessary to do a supplementary assessment, these may include:

- Newly constructed buildings
- New businesses
- Extensions or modifications to existing buildings
- Major renovations
- Status change: taxable to non-taxable or vice versa
- Land that has been subdivided
- Removal of structures

How to Request a Name or Address Change

The municipal clerk can send an Assessment Roll Name and Address Change Form by email to the MAA at customerservice@maa.ca. All relevant information such as: parcel ID, property owner information, deeds, surveys, etc. is required.

Please note: This form is to be used for name or address changes only and not supplementary requests.

These forms are available
on our website at
www.maa.ca/resources

Assessed Value and Municipal Taxes

Let's take a look at property assessments and the basic principles of property taxation which will assist in answering questions such as: "How are tax rates decided and by whom?" and "What is the relationship between property assessments and municipal taxes?"

The *Municipalities Act, 1999* states that all municipal councils may impose a real property tax. The council of a municipality, must impose a business tax on anyone conducting business in the community. The tax is payable by the owner and/or tenant of a business.

After all the commercial and residential properties have been assessed, the council uses the assessment roll information to set the mil rate. The mil rate is then used to establish individual tax bills. Tax rates are decided by the municipal council, **not** by the assessor or the Municipal Assessment Agency. The assessor's job is to solely determine the market value of all real property in a municipality. The municipality's job is to set the mil rate, calculate the amount of tax owed, send out tax bills, and collect the taxes.

Mil Rate Calculation

During the municipal budgetary process, councils and municipal administrators determine the amount of revenue required to operate the municipality. Once revenue sources such as grants, licenses, poll tax, and permits are considered, the remainder has to be raised by other means to cover costs to operate the municipality.

The primary source for this revenue is property and business tax. Council considers and approves how much of the remaining operating revenue will be collected from each property tax source to help determine the appropriate mil rates. The following calculation represents how the mil rate is determined. The calculation for Mil Rate is expressed as an equation below:

$$\frac{\text{Necessary Tax Revenue}}{\text{Total Taxable Assessment}} \times 1,000 = \text{Mil Rate}$$

A Sample Mil Rate calculation:

A town needs \$500,000 to balance its budget. The total taxable assessment accounted for on the assessment roll for all residential properties is \$50,000,000.

$$\frac{\$500,000 \text{ (Necessary Tax Revenue)}}{\$50,000,000 \text{ (Total Taxable Assessment)}} \times 1,000 = 10 \text{ (Mil Rate)}$$

The mil rates approved by council must be applied uniformly throughout the community to ensure fairness, although certain properties such as churches and schools are exempt from real property tax. Council, itself, may exempt certain property owners from paying property tax based on guidelines. That is why the mil rate is calculated on the total taxable assessment.

Property Tax Calculation

The amount of municipal tax payable by a property owner is calculated by multiplying the mil rate by the assessed property value and dividing it by 1,000.

$$\frac{\text{Mil Rate} \times \text{Assessed Property Value (\$)}}{1,000} = \text{Property Tax Bill}$$

A Sample Property Tax Calculation:

Using **10 as the Mil Rate**, a taxpayer with an assessed property value of \$100,000 would be sent a **Property Tax Bill for \$1,000**.

$$\frac{10 \times \$100,000}{1,000} = \$1,000$$

Appendix A: Sample Assessment Notice

Disclaimer

Following is an example of a standard Assessment Notice. The content and format may vary annually. This example is for informational purposes only and not to be used as a substitute for, nor does it replace, the property owner's actual Assessment Notice.



Factsheet

Understanding your Assessment



Who does the Assessment?

Your property assessment is completed by the Municipal Assessment Agency who provides professional, independent property assessments throughout Newfoundland and Labrador in accordance with the *Assessment Act, 2006*.

Should I Appeal?

- Do you feel the value of your property was assessed fairly?
- Most concerns are resolved without a hearing. Telephone one of our assessors toll free at 1-877-777-2807 to discuss your file and understand how the value was determined.
- Visit our website at www.maa.ca/search.html to obtain and compare assessment information on properties of similar value in your area.
- You can request a file review of your assessment at any time without filing an appeal and can also obtain a parcel summary report of your property by calling 1-877-777-2807.
- The appeal deadline is **Month Day, Year**. Late appeals will not be accepted.

How is Property Assessed?

Property is assessed at actual value¹ in accordance with the *Assessment Act, 2006*. Your assessment is determined by the market value as of the base date, January 20XX. When estimating the market value, the assessor analyzes property sales in the area and characteristics such as size, age, quality, condition, and location that vendors and purchasers consider when establishing a sale price.

Definitions

1. "actual value" means that value being the market value of the fee simple interest² in the real property; (*Assessment Act, 2006*)
2. "fee simple interest" is absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (Appraisal Institute of Canada, 2015)

Appeal Process

If you wish to appeal this assessment, follow these steps:

1. Visit us online at www.maa.ca/propertyappeal. You will need a valid credit card for the online option; OR
2. Mail this form. You will need to include a cheque or money order, payable to the Municipal Assessment Agency, for the appeal fee of \$\$\$\$. Mail the Notice of Appeal to:

MUNICIPAL ASSESSMENT AGENCY
75 O'LEARY AVENUE
ST. JOHN'S, NL A1B 2C9

- Appeals must be received or postmarked no later than **Month Day, Year**.
- Upon receipt of your appeal, an assessor will review the property file and may contact you to discuss. A property inspection may also be required.
- The review results will be communicated to you by mail and will include instructions if you wish to request a hearing.

This appeal is made on the following grounds:

Notice of Appeal Form

Appeal Deadline Date: Month Day, Year

I hereby appeal against the 20XX Tax Year Assessment of:

Parcel ID: 999999	Property Code: 2001
Owner:	SOME OWNER
Property Address:	20 SOME STREET

Municipality:	SOMETOWN
Municipality Number:	9999
Non- Taxable	\$ 0
Taxable	\$ 345,000
Business Tenant	\$ 0

Required Info:

Name (print): _____
Phone (Res): _____
Email: _____

Signature: _____
(Bus): _____

Date: _____
(Cell): _____

Our Commitment to You

Accuracy and Reliability

The Agency places incredible importance on the validity of its data and the property values we provide.

Uniformity

Above all else, a consistent and rigorous process is applied in determining each and every property value.

Effectiveness

The Agency strives for more than efficiency; the Board upholds the highest standard of best practice and is a results-driven organization.

Honesty and Transparency

It is important that the work of the Agency be completely open and transparent, and able to withstand the significant scrutiny.

Vision and Innovation

The Municipal Assessment Agency is committed to employing the very best in assessment practices and is open to new and exciting ideas and approaches in carrying out its work.

Respectfulness

As an organization that interacts with stakeholders on a daily basis, we are committed to ensuring that we are always respectful of people, the valuation process, and opposing points of view.

Collaboration

We are committed to working together, forging strong partnerships, and building a strong team of dedicated and knowledgeable professionals.

CONTACT US

Toll Free Number

1-877-777-2807

Email

customerservice@maa.ca

Website

www.maa.ca

