MANITOBA | HOTEL | ASSOCIATION
ESTABLISHED 1927

PRESENTATION TO EPC

APRIL 13, 2005

BOARD OF REVISION – OPERATING PROCEDURES

(COMMENTARY ON ADMINISTRATION RECOMMENDATIONS)

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ITEM 6C

PRESENTATION TO EXECUTIVE POLICY COMMITTEE

APRIL 13, 2005

BOARD OF REVISION OPERATING PROCEDURES

It is my understanding that what is before this committee is a recommendation from City Administration for Council to approve three recommendations.

1. To request a change to Provincial Legislation to permit the Board of Revision to charge a fee to file an appeal to the Board of Revision.
2. That Council direct the Board of Revision to amend its policies to mandate the hearing panel to prepare written decisions relating to appeals heard by the Board.
3. That Council direct the Board of Revision to amend its policies to require mandatory written submissions by both parties prior to any Commercial appeal hearing.

MY COMMENTS

FEE TO FILE AN APPEAL

BASIS OF RECOMMENDATION:

This recommendation focuses on the need to have a fee accompany an application for appeal in order to eliminate or reduce "frivolous appeals".

Firstly there appears to be little or no evidence supporting the claim that there are frivolous appeals.

The recommendation in the Audit report states that a fee "may discourage". . The Task Force report did not mention fees. Hardly a compelling argument.

FEE (Continued)

It appears that there has been significant improvement in the case of reducing the number of residential appeals since the condemning report in 1996 (Scurfield Report) I myself have been very satisfied at the quality of information provided by the Assessment Department in regards to my personal residence. However Commercial assessments do not have the same "Consumer friendliness" advocated in that report. At this time any recommendations should focus on Commercial assessments.

The solution to reduce the number of appeals on Commercial assessments lies with the Assessment Department following a fully transparent, consistent application of its methodology throughout the entire cycle of the process including any appeals to the Municipal Board. That methodology must be fully supported by statistically valid data.

MHA RECOMMENDATION: NO FEES

WRITTEN DECISIONS FROM THE BOARD OF REVISION

BASIS OF RECOMMENDATION:

Written decisions would add value to the process while promoting uniformity.

I believe that this recommendation has the potential to further complicate matters. It is very important that the Board of Revision conclude its process in a time frame that facilitates the fixing of the Roll for budgeting purposes. Written decisions will double the time requirement and require additional resources to the Board of Revision.

Having said that, written decisions would add value in terms of providing information to the appellant which might influence a decision to proceed with an appeal to the Municipal Board or to appeal in succeeding years.

WRITTEN DECISIONS (Cont.)

This recommendation begs the question: why are there so many appeals (Hotels) and why does it take so long to conclude the series of appeal hearings?

The problem is that the Assessment Department is not prepared to defend its assessments either at the time of releasing the preliminary values or at the Board of Revision. The solution is to put resources and procedures in place before hearings are contemplated.

If the Assessment Department calculated values by consistently applying a published methodology supported by statistically valid determinants the number of appeals would dramatically reduce. The Assessment Department must be mandated to defend the same calculations and assumptions throughout the process. This would result in an improved quality of assessment, a reduction in appeals to the Board of Revision and a reduction in the number of appeals at the Municipal Board level.

At the last assessment cycle the Board of Revision decisions resulted in a 34% reduction in hotel values. Clearly the job wasn't done at the front end of the process.

Perhaps an approach is to remove the Commercial assessment out of the City's Assessment Department.

MHA RECOMMENDATION: FOCUS ON COMMERCIAL ASSESSMENTS. ASSESSMENTS MUST BE CALCULATED IN A CONSISTENT, TRANSPARENT METHOD. RESOURCES MUST BE APPLIED AT THE BEGINNING OF THE PROCESS.

WRITTEN SUBMISSIONS COMMERCIAL PROPERTIES

BASIS OF RECOMMENDATION:

At the Board of Revision the Assessor has no prior information, nor do the Board panelists. The provision of written submissions would encourage communication and resolution.

The information supplied by the two reports indicates that the taxpayer is prepared at the Board of Revision but the Assessor is not. Why not?

I believe there is a current Board of Revision rule requiring submissions 7 days prior to a hearing.

Again lets address the root problem and not deal with patching holes in a leaking dike. The Assessment Department has to produce a transparent, consistent, supported methodology and do a professional job at the beginning.

MHA RECOMMENDATION: RESOURCES AND EFFORT PLACED AT THE BEGINNING OF THE COMMERCIAL ASSESSMENT PROCESS. CONTEMPLATE REMOVING COMMERCIAL ASSESSMENTS FROM THE CITY ASSESSOR'S RESPONSIBILITY.

PRESENTED BY JIM BAKER CA
PRESIDENT AND CEO
MANITOBA HOTEL ASSOCIATION

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