

Citizen Control of the Citizen's Business

TORONTO'S CITIZENS CAN CONTROL TORONTO'S AFFAIRS ONLY THROUGH FREQUENT, PROMPT, ACCURATE AND PERTINENT INFORMATION WITH REGARD TO TORONTO'S BUSINESS.

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The Provincial Assessment Act

STORY No. 1.

THIS IS WHAT THE LAW SAYS:

The Assessment Act—Section 40 :

- "(1) Subject to the provisions of this section, land shall be assessed at its **actual value**.
- (2) In assessing land having any buildings thereon, the value of the land and buildings shall be ascertained separately, and shall be set down separately in columns 13 and 14 of the assessment roll and the assessment shall be the sum of such values. The value of the buildings shall be **the amount by which the value of the land is thereby increased**.
- (3) To remove doubts it is hereby declared that the cost of a building is only one of the matters which should be considered in ascertaining the amount for which a building should be assessed, and if it is found that a building, either because of its condition as to repair or of its inappropriateness to the location in which it is found or because of any other circumstances affecting its value, increases the value of the land by less than the cost of the building, or the cost of replacing it, such less sum shall be the amount for which the building shall be assessed under subsection 2; the meaning of that subsection being that buildings shall be assessed for the amount of the difference between the **selling value** of the whole property and the **selling value** of the land if there were no buildings on it."

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THIS IS HOW THE LAW IS INTERPRETED IN 20 ONTARIO MUNICIPALITIES

Municipality	Per Cent. of Value at Which Assessment is Said to be Made on		
	IMPROVED LAND	UNIMPROVED LAND	BUILDINGS
1.	100% of value on productive basis.	100% on productive basis.	100% on cash selling basis.
2.	100% of value on selling price basis.	100% on selling or rental value.	80% of cost price.
3.	100% of value on selling price basis.	100% on selling price basis.	80% of value on a cubic content basis for each of three building types.
4.	Less than 100% of value based on assessor's judgment, corroborated by actual sales.	100%	Less than 100% of value on cubic content basis according to finish.
5.	100% of value on selling price basis, modified by general knowledge.	Same basis.	70% - 75% on square foot basis, modified by consultation with builders.
6.	80%. (Price set on central property, reduced so much per block from centre).	80%	60% of enhanced value of property due to building.
7.	100%	80%	70% - 90%
8.	100%, as per Clause 40 of Assessment Act.	100%, as per Clause 40 of Assessment Act.	As per Clause 40 of Assessment Act.
9.	100% of value on sale price basis.	50% of value on same basis.	75% of value on present cost of building value.
10.	100%, as per Section 40 of Assessment Act.	100% as per Section 40 of Assessment Act.	100% of selling value. See Section 40, Assessment Act.
11.	66%	66%	66%

Municipality	Per Cent. of Value at Which Assessment is Said to be Made on		
	IMPROVED LAND	UNIMPROVED LAND	BUILDINGS
12.	40% to 60% of actual value, or 100% of quick sale value, (Act is interpreted to mean quick sale value).	Same basis.	Same basis.
13.	100%, as per section 40 of Act.	100%, as per Section 40 of Act.	100%, as per Section 40 of Act.
14.	60%-65% of valuation on basis of recent sales, by aid of map and central valuation.	On same basis as improved land.	60%-65%, or slightly less, of valuation, determined by subtracting value of land from selling value of whole property.
15.	65%	90%	Basis of cubic feet for several classifications.
16.	100% of valuation on sale price basis.	100%, on same basis.	100% on cubic content basis, after classification of buildings.
17.	Less than 100% of actual value, as nearly as this can be obtained.	Same basis.	Same basis.
18.	60% of valuation.	75%	40% (on basis of experience as contractor, modified by improvements, state of supply and demand and classes of people in control of properties).
19.	Approximately 100% of general selling price.	Has none.	Approximately 100% of cost of building, less depreciation, if any.
20.	Cash sale basis.	Same basis.	Building permit and rental values.

Two Questions in Arithmetic and Their Answers

QUESTION 1.

If Municipality A assesses its property at 100% of its actual value and Municipality B assesses its property at 75% of its actual value, which city pays more per \$1,000,000 of actual value into the Provincial Treasury as War Tax?

SOLUTION :

City A : Real value.....	\$1,000,000
Assessed value.....	1,000,000
Provincial War Tax (1 mill) ...	1,000

City B : Real value	\$1,000,000
Assessed value.....	750,000
Provincial War Tax (1 mill)	750

Answer : A pays \$250 more per million dollars, or $33\frac{1}{3}\%$ more than B.

QUESTION 2 :

If the \$10,000 property of one citizen in Toronto is assessed at 100% of its value and that of another at 75% of its value, how much more does the former contribute to the City Treasury and the Provincial Treasury via the 1 mill war tax, on the basis of the present tax rate?

SOLUTION :

29½ mills on \$10,000.....	\$295.00
“ “ “ 7,500.....	221.25

Difference..... \$73.75

1 mill (Provincial War Tax) on \$10,000	\$10.00
“ “ “ “ “ 7,500	7.50

Difference..... \$2.50

Answer : A total of \$76.25 more.

Q U E R I E S

1. What is the meaning of "selling value"?
2. What IS the "actual value" of land and buildings?
3. Why should one municipality contribute more in proportion to the Provincial War Fund than another?
4. Why should one citizen contribute more in proportion to city or Provincial funds than another?
5. Do these conditions actually exist?
6. If they do, what should be done about it?
7. Would a Provincial Bureau of Equalization help solve the difficulty?