

## Appendix 1: Alternatives for Establishing BIA Assessment Appeal Provisions

|   | Alternative   | Basis of BIA Levy   | Description   | Comments  |
|---|---|---|---|---|
| 1 | BIA members waive their right to refunds/credits arising from appeals | <p>Current Value Assessment</p> <p>(based on assessed value provided on the annual, supplementary and omitted assessment rolls)</p> | <p>BIA levies would continue to be based on assessments provided to the City by MPAC, including supplementary and omitted assessments.</p> <p>Property owners, however, would be requested to voluntarily waive their right to refunds/credits arising from appeals. Where assessments are reduced as a result of an appeal, the property owner would only receive a credit or refund with respect to their property taxes, but not their BIA levy.</p> | <p><b>Advantages:</b><br/>Annual appeal provision amounts may be reduced, provided that 100% of the BIA membership/property owners entered into agreements agreeing to waive refunds.</p> <p><b>Disadvantages:</b><br/>Would require the City, BIA Board of Management and property owners to enter into contractual agreements waiving owner’s rights to receive refunds of BIA levies and to voluntarily repay such amounts. It is uncertain how many property owners would voluntarily agree to enter such agreements.</p> <p>No legislative means exists to compel property owners to enter into such contractual agreements.</p> <p>Volume of agreements could be extremely large and would require additional staff resources to administer contracts. Additionally, the City’s tax system would need to be programmed to accommodate this new requirement.</p> <p>Additional costs associated with establishing, calculating and issuing the levy for this approach as well as administrative costs.</p> <p>A provision would still be required for properties without a signed agreement in place, and a provision would also be required to account for other risks, e.g., new property owners being unwilling to enter into agreements, and the City ultimately having to pursue legal action on such agreements in order to recover the BIA levy refund.</p> <p>Depending on individual lease agreements, owners may have difficulty in withholding BIA refunds resulting from a successful assessment appeal from tenants. As such, these property owners may be unwilling to enter into such agreements.</p> |

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|---|--|--|---|---|
| 2 | Establish BIA levies as fixed percentage of BIA budget     | Fixed percentage amount  | <p>BIA levies would be based on a fixed (agreed upon) percentage amount of the total BIA budget, to be negotiated annually based on pre-determined factors or criteria.</p> <p>Under this option, BIA levies would no longer be calculated based on property assessment values.</p> | <p><b>Advantages:</b><br/>Annual appeal provision amounts may be reduced, as BIA levies would no longer be subject to reductions arising from assessment appeal reductions.</p> <p><b>Disadvantages:</b><br/>The fixed percentage that each individual property pays would need to be negotiated and established on an annual basis as new properties are built, or properties are demolished or undergo significant renovations.</p> <p>Requires support of the majority of BIA property owners and the BIA Board of Management.</p> <p>The existing appeal provision currently held for outstanding prior tax year appeals would still be required.</p> <p>Would require reprogramming of City's existing tax billing system, changes to internal procedures, and more manual processing.</p> |
| 3 | Establish BIA levies based on physical property attributes | Various (e.g. building square footage (GFA), property frontage, site area) | BIA levies would be based on physical property attributes and some multiplier or rate (e.g. commercial gross floor area (GFA), front foot rates, lot area, etc.), with rates to be determined annually to raise required levy.  | <p><b>Advantages:</b><br/>Could reduce the magnitude of appeal provision within BIA budgets.</p> <p><b>Disadvantages:</b><br/>Information needed to support BIA levies may not be readily available, requiring extensive staff resources to collect and compile the information, and to derive annual BIA rates to determine levy amounts.</p> <p>Would still require a dispute/appeal mechanism to correct errors in BIA levies based on incorrect or outdated data, and would therefore still require an annual budget provision to address any adjustments.</p> <p>Would require reprogramming of City's existing tax billing system, changes to internal procedures, and more manual processing.</p>  |