

Woodland Conference

April 13, 2019

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Agenda

- PVSC
- Key Dates
- Mandate
- Assessment 101
- Legislation relating to forestry classification
- Forest property in Nova Scotia
- Exempt forest classification – guidelines and statement of use
- Questions?

Key Dates

- **Preliminary assessments on www.pvsc.ca:** Early fall
- **Assessment roll delivered to municipalities:** Before December 31 of each year
- **Assessment notices mailed to property owners:** early January (this year: January 14, 2019)
- **31 Day Appeal Period:** 31 days from the date on the assessment notice (this year: February 14, 2019)
- **Income and Expense Request for Information:** end of February with 30 days return period

PVSC Mandate

Legislated mandate

- Nova Scotia Assessment Act
- Property Valuation Services Corporation Act

Section 42 Nova Scotia Assessment Act:

“All property shall be assessed at its market value, such value being the amount which in the **opinion of the assessor** would be paid if it were sold on a date prescribed by the Director in the **open market by a willing seller to a willing buyer**, but in forming his opinion the assessor shall have regard to the assessment of other properties in the municipality so as to ensure that, subject to Section 45A, taxation falls in a uniform manner upon all residential and resource property and in a uniform manner upon all commercial property in the municipality”

Assessment 101

- Analyse sales
- Determine geographic areas
- Review economic factors
- Review physical characteristics
 - Construction quality, materials and method
 - Condition, size, age and utility of building
 - Proximity to other value influences (nuisances)
 - Damage from fire, flood, etc.
 - Other factors that could affect sales price
- Annual Assessment Process: Mass Appraisal
 - Changes based on similar properties within a geographic area
 - Series of adherence standards by International Association of Assessing Officers

Assessment (Mass Appraisal) vs Appraisal

Assessment	Appraisal
Uses mass appraisal to assess all properties in Nova Scotia for the purpose of taxation (section 42 of the <i>Assessment Act</i>)	Single property appraisals can be completed at any time and are typically requested before buying or selling a property
Based on sales during a certain point in time (base date)	Can use sales from any point of time
Does not consider the future use of a property	Can take into consideration the future use of a property

Assessment Act: Classifications

- 26 (1) All assessments shall be designated as being residential property, commercial property or resource property, or partly one and partly another.
- Interpretation:
 - 2 (s) “resource property” means
 - (i) farm property,
 - (ia) aquaculture property,
 - (ib) conservation property,
 - (ii) forest property owned by a person who owns less than fifty thousand acres of forest property in the Province,
 - 2 (h) “forest property” means any lot of land, excluding any buildings or structures thereon, not used or intended to be used for residential or commercial or industrial purposes or any combination of such purposes;
 - 2 (d) “commercial property” means all property or part thereof except residential property and resource property, and **includes the forest property owned by a person who owns fifty thousand acres or more of forest property in the Province;**

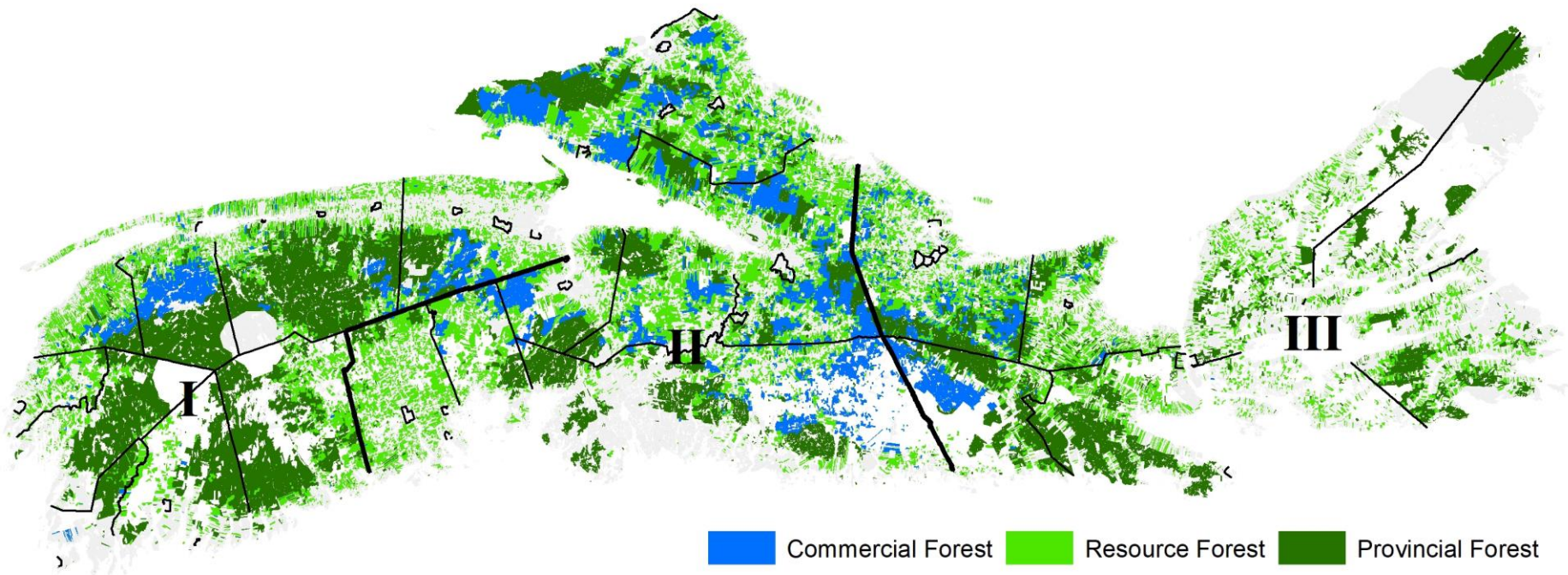
Resource Property Exempt from Taxation

- Resource properties that are determined to be farm or bona fide forest according the *Act*, are exempt from taxation.
 - **47 (1)** All forest property bona fide used or intended to be used for forestry purposes shall be exempt from taxation under this Act or any other public or private Act of the Legislature authorizing a tax on the assessed value of property, except as provided in the Municipal Government Act.
 - **46 (1)** All land, excluding any buildings or structures thereon, classified as farm property shall be exempt from taxation under this Act or any other public or private Act of the Legislature authorizing a tax on the assessed value of property

Municipal Government Act - Taxation

- 78 (1) In lieu of all rates and taxes of the municipality, an owner of forest property *bona fide* used or intended to be used for forestry purposes shall annually pay a tax, to be known as a forest property tax, equal to
 - (a) twenty-five cents per acre, if the forest property is classified as resource property
 - (b) forty cents per acre, if the forest property is classified as commercial propertyand, where an area, village or commission rate is levied for fire protection, the owner is liable to pay an additional annual tax not exceeding one cent per acre, as the authority levying the area, village or commission rate determines.

Forest Property in Nova Scotia



Commercial Forest
Value*: \$506,382,800

Resource Forest
Value*: \$993,770,900

Provincial Forest
Value*: \$1,439,676,200

Valuation Process

- To determine the valuation of properties in Nova Scotia, PVSC uses mass appraisal, analyzing the market factors that would affect the value in any given area

Total Forest Property Sales <i>Resource Forest, Provincial Forest, Commercial Forest</i> (2019 Assessment Roll)	
More than \$1	Zero and \$1
990	1,185

- Values for the 2019 assessment roll reflect a valuation date of **January 1, 2018** (called the base date) and the physical state of the property as of **December 1, 2018** (called the state date)

Resource Property Review Process

- There are certain activities than generate a review of a resource property:

PVSC	Municipality
<ul style="list-style-type: none">• Sale• Subdivision of the land• Client request or inquiry• PVSC site visit/area review	<ul style="list-style-type: none">• Inquiry• Permits

Guidelines – Exempt Forestry Classification

- A forest management agreement is an indication of the practice of forestry, but a management agreement is not essential and forestry management practices can be carried out by an individual owner.
- In order for a property to be considered as forestry resource (exempt) there must be a “substantial act” of forestry activity being carried out on the property. This Includes, but is not limited to:
 - Timber harvesting and/or tree cutting
 - Renewal and/or planting
 - Construction of roads or trails
 - Blazing, signage and/or making of boundary lines
 - Wildlife management
 - Community forest
 - Regular inspections
 - Spraying, pruning and/or cutting
 - Sugar woods harvesting

Resource Property Review – Statement of Use

- Property owner is sent a Statement of Property Use form.
- The assessor uses the information provided on this form to determine:
 - The property classification
 - Whether a family exemption is applicable
 - Whether an exempt use has ceased

Statement of Use



STATEMENT OF FORESTRY USE

1. For the Assessment Account Number referenced above, is the total acreage PVSC has on record correct?

☐ YES ☐ NO

If no, what are the total acres?

2. Of the total acres, how many are actively used to conduct forestry practices?

If zero, please proceed to question 10.

3. Please indicated what forestry practices you are actively participating in (check all that apply):

- ☐ Timber harvesting and/or tree cutting
- ☐ Renewal and/or planting
- ☐ Construction and/or continued maintenance of roads or trails
- ☐ Blazing, signage and/or making of boundary lines
- ☐ Wildlife management
- ☐ Regular inspections of the property
- ☐ Spraying, pruning and/or cutting
- ☐ Sugar woods harvesting
- ☐ Other – please specify:

Please provide details and evidence regarding any of the forestry activities you checked.

(Example: documentation of recent activities, schedule of planned activities, number of acres timber has been harvested, etc.)

Statement of Use



4. Do you belong to a woodlot management group or cooperative?

☐ YES ☐ NO

If yes, please provide details and contact information:

5. Do you have a current forestry/woodlot management plan?

☐ YES ☐ NO

If yes, please attach a copy or provide the pages that indicate the name, plan number and expiry date.
If no, please proceed to question 7.

6. Have you implemented the recommendations of the woodlot management plan?

☐ YES ☐ NO

If no, please explain why not, or provide evidence of why you were not able to implement the recommendations:

7. The objective of my forestry activity is for (check all that apply):

☐ Income ☐ Recreation ☐ Personal firewood ☐ Other – please specify

Please indicate what you do for each:

Statement of Use



8. Have you harvested timber commercially from this property?

☐ YES ☐ NO

9. Do you plan to harvest timber commercially from this property?

☐ YES ☐ NO

If yes, what is your timeline for commercial harvesting?

10. I understand, upon investigation and determination by an assessor, should the land located at the above referenced address cease being used for forestry purposes or does not meet the criteria to qualify as forestry, the exempt status of my property will change, and pursuant to s.77(3) of the *Municipal Government Act*, a Change in Use Tax may be applicable.

Property Owner Signature

Date (mm/dd/yyyy)

Change in Status

If cessation is confirmed:

- The new value is determined (market value at time of cessation)
- A Change in Use tax amount may be applied to the new value
- Property owner and the municipality are notified
- The municipality provides a tax bill as per the MGA
- The property owner has 31 day appeal period

www.PVSC.ca


Detailed information available to owners with a PIN (available on assessment notice)

Public search by AAN, address or advanced property lookup

- Building characteristics
- Civic address
- Sales information
- Assessed value
- Taxable (capped) assessed value
- Assessment history

Assessed Value (last 5 years)			
Year	Assessed Value	Taxable Assessed Value	
2018		\$293,200	\$293,200
2017		\$284,800	\$265,600
2016		\$292,100	\$262,000
2015		\$297,400	\$261,300
2014		\$303,500	\$256,000

The above information will be updated as new parcels are selected.



AAN: 05635608
Civic address: 75 FIVE ISLAND RD HUBLEY
Land size: 20,000 Sq. Ft.
Sale price: \$246,000
Sale date: 27-01-2017
of parcels in sale: 1
Current property assessment: \$293,200
* Current taxable assessed value: \$293,200
- Preliminary property assessment for 2019: \$290,500

Building style: 2 Storey
Construction quality: Average
Under construction: N
Year built: 1989
Living units: 1
Living area (Sq. Ft): 2446
of bedrooms: 4
of baths (includes 1/2 baths): 3
Finished basement: Y
Garage: Y

Questions

Contact Information

PVSC Service Centre

1-800-380-7775

inquiry@pvsc.ca