

2025 Reassessment

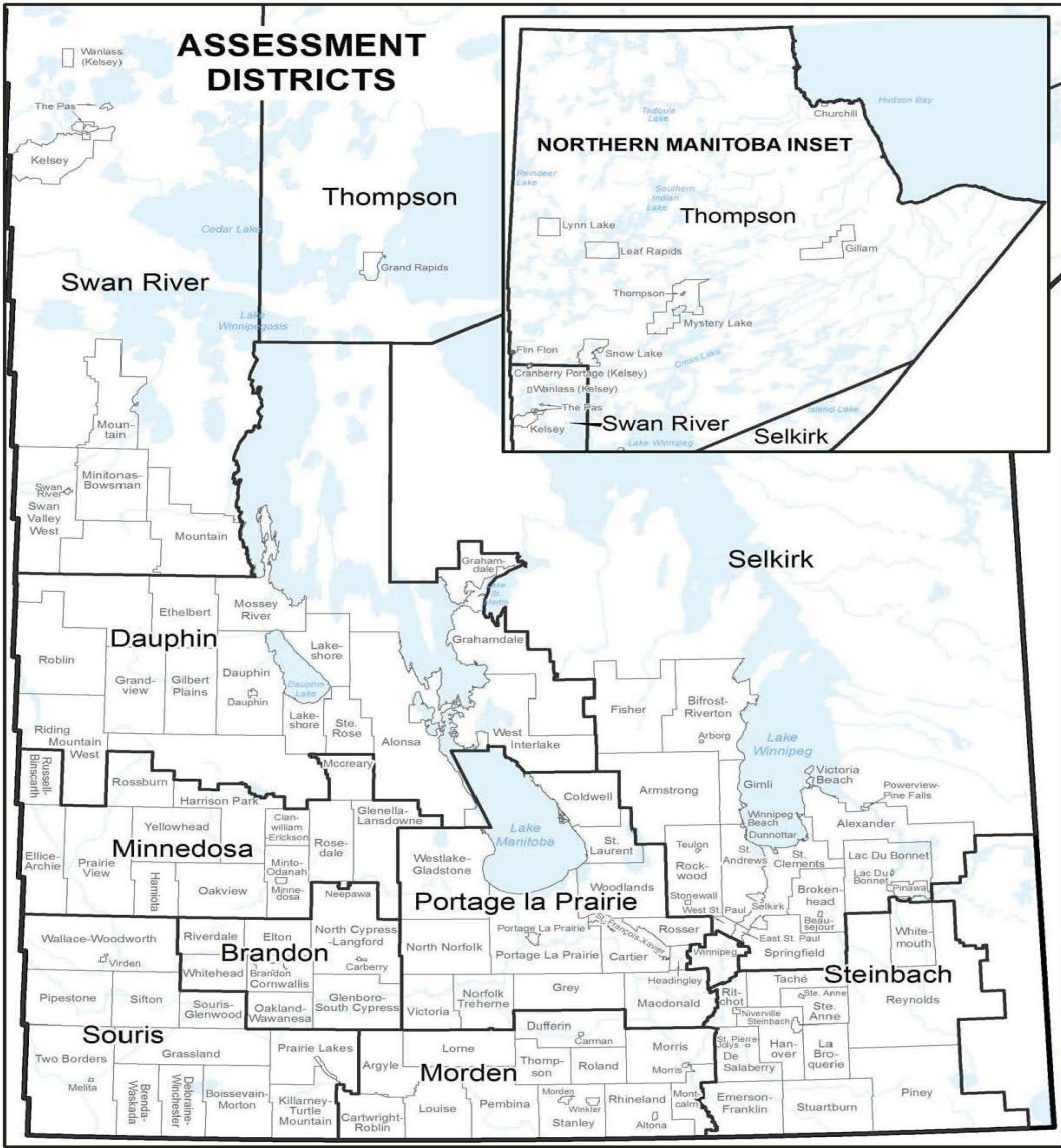
Pipeline Assessment Methodology - Consultation

Property Assessment Services
Municipal and Northern Relations

Property Assessment Services

10 District Offices
& Winnipeg Office

Strategically located to efficiently deliver accurate and up-to-date assessments throughout Manitoba.



Property Assessment Services

- **100** Members on staff

- Dedicated and professional staff
- Well educated experts in field of property valuation
- Industry standards & best practices



Property Assessment Services

Goals & Principles

- Accurate, fair and equitable
- Understandable and transparent
- Innovation and continuous improvement
- Commitment to quality and efficient service delivery of reliable and up-to-date property assessment rolls.



Property Assessment Services - Fast Facts

□ 445,200 Properties

- 435,200 Real Property
- 7,400 Personal Property
- 2,900 Business Assessments
- \$118 Billion Market Value
- \$602 Million in municipal tax revenue



2025 Reassessment

- ❑ Legislated bi-annual province wide reassessment
- ❑ Updated assessment based on market value as of April 1, 2023 from April 1, 2021
- ❑ Mailing over 400K notices to owners
- ❑ Municipal tax impact meetings
- ❑ Open houses for property owners
- ❑ MyPropertyMB – eNotice



Market Value Assessments

- ❑ Value (MAA) – *“the amount that the property might reasonably be expected to realize if sold in the open market on the applicable reference date by a willing seller to a willing buyer”*
- ❑ Houses and farms – typical selling price
- ❑ Apartments, malls, hotels – income
- ❑ Large, unique industrial – cost approach



Cost Approach

- ❑ Properties that rarely sell in the market
- ❑ Replacement cost
- ❑ Depreciation
 - Physical
 - Functional
 - Economic (External)



Economic Depreciation (Obsolescence)

- ❑ Utility, efficiency, supply & demand
- ❑ Grain elevator – throughput of commodities
- ❑ Manufacturing – actual production vs. capacity (designed production)
- ❑ Oil wells – volume of oil produced
- ❑ Railways – tonnage of freight transported



Railways

GENERAL ASSESSMENT — IMPROVEMENTS ON RAILWAY ROADWAY PROPERTY

Gross Tonnage (in millions of tons)	General Assessment for 2023 Rate per Mile of Track
0	\$0.00
Less than 5	\$59,900
5 or more, but less than 10	\$187,000
10 or more, but less than 15	\$314,200
15 or more, but less than 20	\$433,800
20 or more, but less than 25	\$560,800
25 or more, but less than 30	\$680,700
30 or more	\$747,900



Pipelines

GENERAL ASSESSMENT — PIPELINE PROPERTY RATES
PER MILE

Outside diameter of pipe (inches)	General Assessment for 2023 Rate Per Mile
Less than 3	\$59,600
3 or more, but less than 4	\$74,200
4 or more, but less than 6	\$95,100
6 or more, but less than 8	\$132,300
8 or more, but less than 10	\$176,400
10 or more, but less than 12	\$251,200
12 or more, but less than 14	\$317,500
14 or more, but less than 16	\$371,500
16 or more, but less than 18	\$417,400
18 or more, but less than 20	\$449,800



Pipelines

Industry Economics

- ❑ Increased supply of natural gas in eastern USA
- ❑ Reduced demand for western Canadian natural gas in eastern North America
- ❑ Significantly reduced volume of product flowing through natural gas pipelines



Pipelines

Economic Depreciation (Pre-2023)

Adjustments — pipelines

8(1) Where there is more than one pipeline on pipeline property that is contiguous, the rate of assessment shall be applied to the pipeline that has the largest diameter, and each additional pipeline shall be assessed at 55% of the rate that applies to its diameter.

8(2) A pipeline that is operated at 50% or less capacity over the two-year period ending with the general assessment or has been temporarily removed from service at the time of the general assessment shall be assessed at 50% of the rate that would apply if it were operated at capacity.



Pipelines

Economic Depreciation (2023)

- ❑ Removed the 50% reduction for a pipeline operating at 50% or less capacity
- ❑ Committed to reviewing the regulation and options for recognizing reduced volume of product being transported in some pipelines



Pipelines

Economic Depreciation – Goals for New Model

- ❑ Improve fairness and consistency
- ❑ Improve alignment with best practices of appraisal
- ❑ Reduce potentially dramatic impact to municipalities



Pipelines

Economic Depreciation – Potential New Model

- ❑ Recognize amount of product flowing through pipeline in period prior to reassessment (similar to other properties)
- ❑ Assess pipelines based on the volume of product transported
- ❑ Example: 48" pipeline with product volume that could flow in 36" – assess as 36"
- ❑ Reduce depreciation on secondary lines in the same ROW from 45% to 25%



Pipelines

Impacts of Potential New Model

- ❑ 84 municipalities including the City of Winnipeg are potentially impacted (have pipeline)
- ❑ 44 municipalities no impact
- ❑ 20 municipalities seeing reduced pipeline assessments due to reductions in utility
 - Typical change: -8% (assessment)
- ❑ 20 municipalities seeing increased pipeline assessment
 - Typical change: +27% (assessment)



2025 Reassessment

Consultation with Municipalities

- ❑ Final decision has not been made
- ❑ Details for individual municipalities will be provided at Tax Impact Meetings
- ❑ Opportunities for follow-up municipal meetings
 - Contact assessment@gov.mb.ca

QUESTIONS?

Assessment@gov.mb.ca

