

Tory promises cap on annual property assessment hikes

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OAKVILLE . Conservative leader John Tory made a bid for the senior vote Monday by promising to cap annual property assessment increases and open up access to pension savings.

After crowding into the dining room of an Oakville home with his press entourage to discuss a homeowner's plight, Mr. Tory announced that if elected, a Progressive Conservative government will establish a 5 per cent annual cap on property assessment increases for as long as a person owns their home.

"Dalton McGuinty has failed seniors who live still in their own homes," Mr. Tory said.

"Too many senior citizens are living on fixed incomes, and yet they struggle with skyrocketing property tax assessments, and far too many are on the verge of being forced out of their homes."

Mr. Tory also took aim at the Municipal Property Assessment Corporation. "I am putting MPAC officially on notice," Mr. Tory said. "If it will not act with greater sensitivity to the taxpayer, I will replace it with a new agency that will."

The Conservative leader pledged to introduce a new reverse onus appeal system to Municipal Property Assessment Corporation, so that MPAC must justify an assessment increase, rather than putting homeowners in position of fighting them.

Mr. McGuinty implemented a two-year freeze on assessments after a report by the provincial ombudsman portrayed MPAC as an opaque, unaccountable and arbitrary organization. Assessments in Ontario had soared, putting a strain on homeowners with fixed incomes, including seniors on pensions. The ombudsman's office received hundreds of complaints in 2005, after assessments soared by an average of 14.35% across the province. The freeze is due to expire next year.

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Mr. Tory made the announcement outside the home of John and Aggi McLaren, an Oakville couple who are concerned about the property taxes on their modest white stucco home, located in a leafy neighbourhood in Oakville. They have no plans to move, and as homes sell on their street and their neighbours renovate, they appealed a "huge increase" on property tax assessment a few years ago.

Ms. McLaren told Mr. Tory she has been paying roughly the same amount in taxes as her next-door neighbours.

"They have a palace, and I have a little house," she said.

The Ontario NDP is campaigning on a promise to freeze property tax assessments for individual homes until the home is sold or are extensively renovated.

Greg Sorbara, the Liberal finance minister and campaign co-chairman, said the Liberals studied all the alternatives - including a cap and the NDP's freeze - and rejected them.

"This shouldn't be a political issue," Mr. Sorbara said Monday.

"We rejected them because they have inequity and unfairness built into them that would not be appropriate for the province of Ontario."

The cap system would place a greater tax burden on homeowners with fewer resources and only help a "very, very small number of seniors" - two to four per cent, he said.

The Liberals increased a property tax credit to seniors by 25% to \$625. The party is now proposing a new property tax grant of \$500 for seniors with incomes of less than \$50,000.

An SES Research released last week suggested that one in three Ontario voters (33%) blame the Tories for high property taxes, while 21% blame Mr. McGuinty and the Liberals.

Mr. Tory said his government would also open up seniors' pensions by giving them access to 50 per cent of their locked-in retirement accounts (LIRAs) at the age of 55, and the remaining 50 per cent when they turn 65.

"Dalton McGuinty has failed seniors who have worked hard to build a secure future with locked-in pensions, but who can't fully access that money, in many cases until they reach the age of 90," Mr. Tory said.

"People who work hard their entire lives deserve to have more control over their hard-earned savings."

Under Ontario, law, pensions of residents working for private firms are "locked in" until pensioners reach the age of 80, when they can access the funds.

Seniors' groups applauded the announcement. In a release, CARP and the Ontario Coalition of Independent LIF-holders said it welcomed the "progressive policy."

"His proposal will positively impact on the quality of life and dignity of an estimated 450,000 Ontarians with locked-in funds, which, after all, are their own money," said Bill Gleberzon, CARP's director of government relations.

"It will also make them equal with the 61 Ontario MPPs ... who were enabled to unlock their legislative pension by 100% eight years ago."

The Liberals' Mr. Sorbara scoffed at the Tories' pension initiative as well.

"That's just a come-on to people who have locked-in funds," he said.

The Liberals are proposing unlocking 25 per cent of the funds at the age of 55.

That proposal ensures an "equal balance" between giving seniors access to their savings and ensuring they have enough funds to see them through retirement, Mr. Sorbara said.

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