

COMMUNICATIONS

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ASSESSMENT LAW

A Provincial Association Suggested to Consider Necessary Amendments.

To the Editor of the Municipal World :

SIR :

The Assessment Act as it now stands upon the Statutes of Ontario is in many ways inadequate, perhaps more so in regard to the smaller cities, towns and villages.

When the commission was appointed in 1903 it was intended to simplify and at the same time alleviate the burden of certain classes and adding a greater portion of the burden upon a class that was better able to bear it. In making the change from the old to the new form of assessment it was with a view of reaching all classes of ratepayers on a more equitable basis, and at the same time avoid complications so that the ordinary assessor would be able to properly construe the meaning of the Act. As the Act now stands there are several sections which could be made plainer, and other sections removed where it is known that an injustice is being done to certain classes of business. The present mode of making an assessment for the carrying on of any business being computed by reference to the value of the land and building used and occupied for the purpose of his business is in some cases absolutely wrong. For instance, two stores in a city in the same block extremely alike, one of which is occupied by a jeweller who carries a large stock of valuable goods and on which it is presumed he makes a handsome income. This man is assessed thirty per cent additional to what has already been placed upon that portion of land and building used and occupied by him for the purpose of his business. If he occupies but a portion of the building it is up to the assessor to sub-divide the building allotting a fair proportion to each of the occupants using the same building. This makes the work more intricate for the assessor. Now we come to the jeweller's neighbor who happens to be a laundryman. This man requires more room than the jeweller to carry on his business. The assessor must again apportion this land and building. Now instead of the assessor finding upon premises occupied as a laundry a 20,000 or 100,000 stock, he probably finds \$100 worth of tubs etc., over which is scrubbed out sufficient to make a living and pay the taxes imposed on him by the assessor. Now the assessor finds the buildings alike with the exception that the jeweller perhaps has a finer counter, show-cases, etc., which are not required in the laundry so that the assessor must put approximately the same valuation on the building occupied and used by the laundryman as he did upon the jeweller. The laundryman is assessed twenty-five per cent additional for his business assessment according to the value of the land and building occupied. I would ask, is this a reasonable proportion? and there are many more instances of inequality which I have not the space to mention here.

Every man should pay taxes according to his ability to do so and every business should be properly classified and every business man should be assessed according to the class of business conducted; for instance, a contractor, a brick-maker, a lumber yard, a wood yard, coal yard, etc., a per centage according to the value of the land and

buildings, (as the law is now) a merchant a per centage according to the floor space used by him for his business and every other business that is carried on within any building according to the space used. At the same time classify the different businesses, as for instance the jeweller mentioned above occupies a store, the floor space of which is 20x50 (1000 square feet). Now in my estimation this man should be assessed in addition to the land and building valuation, not less than \$5.00 per square foot occupied, or an additional assessment for business carried on by him, of \$5,000, which would be much more equitable than what is now assessed to him. As for his neighbor the laundryman, the computation of floor space is the same but it would be unreasonable to charge the same for this class of business. Therefore, if 1000 sq. feet as occupied as a laundry, I would say 50 cents per square foot would be a fair assessment for this line of business, or an additional assessment of \$500.00 as a business assessment.

If every business was classified as above, there would be more justice done to the business man and at the same time simplify the apportionment of buildings occupied by more than one person, for business or other purposes, and for this class of assessment place upon the assessment roll the number of feet used by the assessed party and the per centage. And at the same time amend the Act by adding to subsection 8, section 10, the following: "That the tax levied in respect to any business assessment shall be payable at such time or times and to such collector or collectors as the council of the municipality may by by-law determine."

The assessment of land and buildings could be much simplified by adding to the actual value of the land the revenue derived from both the land and the building, making the assessment a land tax and an income tax combined.

The assessment should be upon present revenue or in case of vacant buildings upon six per cent of the actual value.

In the classification of the different commercial and manufacturing businesses they should be considered from the standpoint of whether the commodities dealt in are principally necessities or luxuries; if necessities, let the assessment be moderate; if luxuries, increase proportionally by this means reach the classes that are better able to bear the burden. A jeweller requires but a small space in which to do his business and at the time have a large and very valuable stock upon which he makes a large income; therefore he should be in the higher classification. A wine merchant requires a much larger space to do his business, but he should be classified much higher than a grocer. A tobacconist, like the jeweller, does not require as much space as a grocer, but the class of business should be classed higher. A dry goods merchant should be classed higher than a grocer or shoe dealer. A merchant dealing in more than one distinct line of goods should be rated according to the different lines dealt in; if such lines of goods conflict with other merchants dealing in only one of the lines; for instance, a dry goods merchant deals in ready-made clothing and gent's furnishings, millinery, crockery, etc. He has the advantage over others dealing in each of the individual lines, therefore he should be rated proportionally higher. A hardware merchant adds to his business the business of plumbing or tin-smithing in opposition to others carrying on those individual lines; therefore he should be rated higher.

The rating should be based upon the floor space occupied and used for the purpose of the business. The professional men should come under the same regulations, only at a different rate. Under existing conditions one doctor occupies part of his house as an office; he is assessed 50% of the total value of house, office and land;