

The New Assessment Act

The result of the labors of the Royal Commission appointed in 1900 and Special Legislative Committee to which the report of the Commission was referred in 1903, is contained in The Assessment Act passed at the recent session of the Legislature.

The chairman of the Special Committee, the Hon. J. M. Gibson, Attorney General, was untiring in his efforts to produce a practical piece of legislation that would remove the many defects in the present Act and provide an equitable basis of municipal revenue without disturbing present conditions to too great an extent. In this he was ably assisted by the members of his committee and of the Legislature.

The Act, which comes into force on the 1st January, 1905, makes some important changes in the law, and determines the basis of municipal taxation subject to necessary exemptions to be :

- I. The actual value of land and improvements, together with specific values for telephone and telegraph companies.
- II. Business assessment.
- III. Income.

Exemptions.

The principal exemptions are :

- I. The interest of the Crown in any property.
- II. Churches and burying grounds.
- III. Public educational institutions and incorporated Seminaries of learning.
- IV. Municipal and other public halls, gaols, lockups and hospitals, receiving aid under "The Charity Aid Act."
- V. Every public road, way or square.
- VI. Municipal property, but not when occupied by a tenant or lessee.
- VII. Public parks.
- VIII. Penitentiaries and prisons.
- IX. Poor houses, charitable institutions, public lunatic asylums and property belonging to companies for the reformation of offenders.
- X. The property used by Immigration Aid Societies or a Children's Aid Society.
- XI. The income from surplus funds of a registered friendly society.
- XI. The property of libraries and literary and scientific, agricultural or horticultural societies, etc.
- XII. The official incomes of the Governor-General and the Lieutenant-Governor.
- XIII. The full or half pay of His Majesty's Naval or Military officers.
- XIV. The income of a farmer derived from his farm.
- XV. All fixed machinery used for manufacturing or farming, but not including machinery for the production of gas, electric and other motors, nor to machinery owned, operated or used by a railway company, or by transportation or transmission companies using the streets, etc.
- XVI. The dividends or income from stock held by any person in a company, the income of which is liable to assessment in the Province.
- XVII. The dividends from stock or shares in a toll road.
- XVIII. Income—
Personal earnings, pensions, gratuities or retiring allowances in respect of personal services to the amount of \$1,000 in cities and towns having a population of 10,000 or over, or to the amount of \$700 in other municipalities, provided that such person is a householder and is assessed as such in the municipality and the personal earnings, etc., of every person who is not a householder and assessed as such in the municipality to the amount of \$400.
- XIX. Rent or other income derived from real estate, except interest on mortgages.

The exemptions are subject to the provisions of The Municipal Act, sections 683 and 684, providing for the assessment of property for local improvements.

Assessment of Land.

Land is defined to include :

- a. Land covered with water.

- b. All trees and underwood growing on land.
- c. Mines, minerals, gas, oil, salt, quarries and fossils in and under land.
- d. All buildings or any part of any building and all structures, machinery and fixtures erected or placed upon, in, over, under or affixed to land.
- e. All structures and fixtures erected or placed upon, in, over, under, or affixed to any highway, road, street, lane or public place or water, but not the rolling stock of any railway, electric railway, tramway or street railway.

Land is to be assessed at its actual value. In assessing land having any buildings thereon the value of the land and buildings is to be ascertained separately.

Mineral lands are to be valued the same as other lands in the neighborhood, but the income derived from any mine or mineral work is to be subject to taxation the same as other incomes.

Toll Roads are to be assessed the same as formerly as real estate.

Farm Lands in Towns and Villages, held and used as farm lands only and in blocks of not less than five acres, are to be assessed as farm lands.

In towns and villages, councils are authorized to pass by-laws to exempt or partly exempt farm lands from taxation for waterworks, sidewalks, sewers, lighting and watering streets. Special provision is also made for valuing vacant ground, used as a farm, garden or nursery, and not in demand for building purposes in cities, towns or villages.

Companies using the streets. The property, by clause (e) declared to be land, is to be assessed at its actual cash value as the same would be appraised upon a sale to another company with similar rights and powers.

International and Intermunicipal Bridges liable to assessment are to be assessed at actual cash value.

Railways are to be assessed the same as formerly, except in case of structures, rails, etc., on streets that are not merely crossed by the railway.

Real property, other than roadway and vacant land in actual use and occupation by the company, is to be assessed at its actual cash value to another company.

A railway assessment, when completed, is to stand for four years, except as to changes which are to be considered yearly.

TELEPHONE COMPANIES—

In cities, towns, villages and police villages telephone companies are to be assessed for 60 per cent. of the gross receipts belonging to the company in the city, town, village, or police village, from the business of the company for the year ending the 31st December next preceding the assessment. In cities of over 100,000, such companies are to be assessed for 75 per cent. of gross receipts.

In townships, telephone companies are to be assessed at the rate of \$135 per mile for one ground circuit (being a single wire for carrying a message) or metallic circuit (being two wires for carrying a message) and in case any line of poles carry more than one circuit of wire they are to be assessed \$7.50 per mile for each additional circuit.

In computing wire mileage, branch or party lines, which do not exceed 25 miles in length, are not to be included.

TELEGRAPH COMPANIES—

In cities, towns, villages and police villages, telegraph companies are to be assessed for 50 per cent. of the