

PROPERTY TAX CASE STUDY A FISHY TALE

Our Client's Challenge

Since taking over ownership of this fish hatchery in 2006, our client had watched in dismay as the property tax assessment increased each year. A 9% increase in the 2009 assessment to \$1,144,500 was the final straw. The property owner turned to Turner Drake for help. Our Rick Escott took on the assignment.

Turner Drake's Approach

The fish hatchery, located in south western New Brunswick, is used to raise salmon smolts preparatory to their release into the Bay of Fundy. We undertook a detailed inspection of the facility, carefully measuring every structure and noting its physical condition. We interrogated the hatchery's management team to choreograph the progress of the salmon rearing process, and identify physical, functional and external obsolescence. Facilities that were under utilized, or not used at all, were of particular interest. We obtained the assessor's records, available now thanks to the Freedom of Information Act. This data was compared to the facility as it existed on the January 1st 2009 base date. (The New Brunswick Assessment Act mandates that property be valued at its market value on the "base date", January 1st of the assessment year). There had been design changes at the hatchery since our client had taken it over in 2006 and some of the infrastructure, such as the waste ponds and underground piping shown in the assessor's records, were no longer used. In addition 58 of the 99 ten foot diameter tanks shown in those records had been retired, replaced instead with just 4 thirty three foot diameter structures. The other 41 tanks remained, but were no longer used.

Winning Results

Service New Brunswick, the provincial assessment authority, visited the property, confirmed our findings, and agreed to reduce the assessment by 38%, thus yielding annual tax savings of \$13,000 ... savings which fell right down to our client's bottom line.

