



Staff Report

Finance and IT Services

Report To: Special Committee of the Whole
Meeting Date: May 27, 2019
Report Number: FAF.19.073
Subject: 2019 Tax Rates
Prepared by: Kris Couture, Tax Collector

A. Recommendations

THAT Council receive Staff Report FAF.19.073 entitled “2019 Tax Rates”;

AND THAT Council enact a By-law to establish tax rates to raise the levy required for 2019 local municipal, county and education purposes, and to provide for penalty and interest in default of payment thereof.

B. Overview

This report provides Council with information on tax ratio and provincial regulation updates impacting the setting of the 2019 tax rates for the municipal and education tax levies.

C. Background

The tax rates for municipal (Town and County) and education levies are established annually by the Town, County and Ontario Ministry of Finance, respectively.

To set municipal tax rates, tax ratios are required which are determined by the County within the allowable ranges for tax ratios set by the province by regulation under the Municipal Act. Tax ratios determine the relative tax proportion on each property class compared to the residential class. The tax ratios have remained the same since 2006.

The Ontario Ministry of Finance enacts regulations annually for prescribed education tax rates.

In 2017, the Ministry of Finance provided broad flexibility to tailor the vacant rebate and reduction programs. The traditional rebate and reductions are 30% and 35% for commercial and industrial, respectively.

In 2018, optional new subclasses under the industrial and commercial property classes for small-scale on-farm businesses were created to apply a 75% municipal tax rate reduction to the first \$50,000 of assessed value of qualifying value-added and commercial activities on farms. The assessment realty tax code and qualifier (RTC/Q) for properties identified in The Blue Mountains for these subclasses are C7 and I7.

D. Analysis

The draft of the 2019 Tax Rate By-Law is attached to this report. Information on the changes to the tax rate structure for 2019 is provided as follows:

Grey County By-Law 5051-19 was passed April 25, 2019, to establish tax ratios for 2019. The tax ratio for the Farm Taxable FT class has been reduced from 0.25 to 0.24 for municipal purposes. All other tax ratios remain the same as 2018.

The Province is phasing-out the education portion of the vacant rebate and reduction programs by 2020. In 2019, the education property tax portion of the vacancy rebate and reduction is reduced from 30% and 35% to 15% and 17.5% respectively for commercial and industrial properties. In 2020, the vacant rebate and reduction programs will be completely phased-out for the education portion. For 2019, Grey County Council decided to continue to use reductions of 30% for commercial and 35% for industrial vacant lands/units.

The optional new subclasses for small-scale on-farm businesses have been implemented by the province for the education tax rates. The rates for these subclasses are prescribed by the province and represent a reduction of 75% of the commercial and industrial rates. Grey County did not adopt these optional sub-classes for 2019. Grey County Council will consider these optional sub-classes in future years as part of the annual tax policy decisions.

The Municipal Property Assessment Corporation (MPAC) has identified 3 properties in The Blue Mountains which are in the small-scale on-farm business subclasses. As these properties were identified after the return of the assessment roll for 2019, the assessment is not shown in these subclasses on the Town Tax Rate By-Law Schedule A. However, the rates for the subclasses are included in the rate schedule for subsequent tax billing adjustments for these properties in 2019.

E. The Blue Mountains Strategic Plan

Goal #4: Promote a Culture of Organizational and Operational Excellence

Objective #4: To Be a Financially Responsible Organization

F. Environmental Impacts

None.

G. Financial Impact

The reduction of the Farm tax ratio shifts \$5,439 of Town tax from the Farm to the other classes the majority of which, \$4,740, to the residential class. For the County, the shift amount is \$5,155 total; \$4,492 of which to residential.

The phase-out of the vacant reduction program on the education portion results in an additional \$16,618 of education tax for 2019.

The impact of the small-scale on-farm class rates for the education portion will be available later this year once the Special Assessment Notices (SANs) from MPAC are processed.

H. In consultation with

Ruth Prince, Director of Finance & IT Services / Treasurer
Kevin Wepler, Director of Corporate Services, Grey County

I. Public Engagement

The topic of this Staff Report has not been subject to a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. Comments regarding this report should be submitted to Kris Couture at tax@thebluemountains.ca.

J. Attached

1. Draft 2019 Tax Rate By-law

Respectfully Submitted,

Kris Couture
Tax Collector

Ruth Prince
Director of Finance and IT Services

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The Corporation of The Town of The Blue Mountains

DRAFT - By-law Number 2019 – XX

Being a By-law to establish tax rates to raise the levy required for 2019 municipal and education purposes, and to provide for penalty and interest in default of payment thereof

Whereas the Council of The Corporation of The Town of The Blue Mountains has by By-law No. 2019-6 adopted the estimates of all sums required during the year for the purposes of the municipality in accordance with Section 290 (1) of the *Municipal Act 2001*, S.O. 2001, c. 25, as amended;

And Whereas Section 307 of the *Municipal Act 2001*, S.O. 2001, c. 25, as amended, requires that all taxes shall, unless expressly provided otherwise, be levied upon the whole of the assessment for real property or other assessments made under the *Assessment Act* according to the amounts assessed and not upon one or more kinds of property or assessment or in different proportions;

And Whereas Section 312 of the *Municipal Act 2001*, S.O. 2001, c. 25, as amended, provides that for the purposes of raising the general local municipality levy, a local municipality shall, each year, pass a By-law levying a separate tax rate, as specified in the By-law, on the assessment in each property class in the local municipality rateable for local municipality purposes;

And Whereas Section 307 and Section 308 of the *Municipal Act 2001*, S.O. 2001, c. 25, as amended, requires tax rates to be established in the same proportion to each other as the tax ratios established for the property classes are to each other;

And Whereas the Corporation of the County of Grey has by By-law 5051-19 established tax ratios for prescribed property classes for 2019 as required by Section 308 of the *Municipal Act 2001*, S.O. 2001, c. 25, as amended;

And Whereas the Corporation of the County of Grey has by By-law 5053-19 established and levied tax rates for Upper Tier purposes for the year 2019 under Section 289 of the *Municipal Act 2001*, S.O. 2001 c 25, as amended;

And Whereas the Ministry of Finance has by Ontario Regulation 64/19 under the *Education Act* amended O. Reg. 400/98 to establish Tax Rates for School Purposes for 2019;

And Whereas Section 342(1) (a) of the *Municipal Act 2001*, S.O. 2001, c.25, as amended, allows a local municipality to provide for the payment of taxes in one amount or by instalments and the date or dates in the year for which the taxes are imposed on which the taxes or instalments are due;

And Whereas Section 342 (1) (b) of the *Municipal Act 2001*, S.O. 2001, c.25, as amended allows a local municipality to provide for alternative instalments and due dates in the year for which the taxes are imposed other than those established under clause 342 (1) (a) to allow taxpayers to spread the payment of taxes more evenly over the year;

And Whereas Section 345 of the *Municipal Act 2001*, S.O. 2001, c. 25, as amended, allows for a percentage charge, not to exceed 1.25 per cent of the amount of taxes due and unpaid, to be imposed as a penalty for the non-payment of taxes, and allows for an interest charge, not to exceed 1.25 per cent each month of the amount of taxes due and unpaid, to be imposed for the non-payment of taxes;

Now Therefore the Council of The Corporation of The Town of The Blue Mountains hereby enacts as follows:

1. That there shall be levied and collected upon the whole assessment for real property according to the last certified assessment roll the tax rates as set out in Schedule "A" to this By-law and forming part of this By-law, which shall produce the general local

municipal Town levy of Fifteen Million, Nine Hundred and Eighty-Two Thousand, Three Hundred and Sixty-Seven dollars (\$15,982,367).

2. That the Tax Collector may mail or cause the same to be mailed to the residence or place of business of such person indicated on the last revised assessment roll, a written or printed notice specifying the amount of taxes payable.
3. That the final taxes shall be due in two instalments, Wednesday, August 28, 2019, and Monday, October 28, 2019.
4. That alternative due dates in the year be allowed, under the provisions of the pre-authorized payment plan.
5. That a percentage charge of 1.25 per cent of the amount of taxes due and unpaid shall be imposed as a penalty for the non-payment of taxes on the first day of the month following the date the taxes were due.
6. That interest charges in the amount of 1.25 per cent shall be imposed on the amount of taxes due and unpaid on the first day of each and every month the default continues.
7. All taxes shall be paid into the FINANCE office of the Town, 32 Mill Street in Thornbury, Ontario; at most financial institutions; by telephone banking; or by internet banking.
8. If an article of this By-law is for any reason held to be invalid, the remaining articles shall remain in effect until repealed.

And Further that this By-law shall come into force and take effect upon the enactment thereof.

Enacted and passed on this XX day of June, 2019.

Alar Soever, Mayor

Corrina Giles, Clerk

The Corporation of The Town of The Blue Mountains
By-law Number 2019 –
Schedule “A”

2019 Tax Rates

Taxable Assessment/Tax Class	RTC RTQ	CVA Assessment	Tax Ratios	CVA Weighted by Tax ratios	Town Tax Rates	Town Tax Levy	County Tax Rates	County Tax Levy	Education Tax Rates	Education Tax Levy	Total Tax Rates	Total Tax Levy
Residential Taxable Full	RT	\$3,626,713,948	1.000000	\$3,626,713,948	0.00380871	\$ 13,813,104	0.00357933	\$12,981,206	0.00161000	\$ 5,839,009	0.00899804	\$ 32,633,320
Residential Full Shared PIL	RH	\$ 89,075	1.000000	\$ 89,075	0.00380871	\$ 339	0.00357933	\$ 319	0.00161000	\$ 143	0.00899804	\$ 802
Resort Condominium Taxable Full	OT	\$ 237,565,600	1.000000	\$ 237,565,600	0.00380871	\$ 904,819	0.00357933	\$ 850,326	0.00161000	\$ 382,481	0.00899804	\$ 2,137,625
Multi-Residential Taxable Full	MT	\$ 5,235,814	1.441197	\$ 7,545,839	0.00548910	\$ 28,740	0.00515852	\$ 27,009	0.00161000	\$ 8,430	0.01225762	\$ 64,179
Commercial Taxable Full	CT	\$ 151,936,613	1.306940	\$ 198,572,037	0.00497776	\$ 756,303	0.00467797	\$ 710,755	0.01290000	\$ 1,959,982	0.02255573	\$ 3,427,041
Commercial Small-Scale On-Farm Business	C7	\$ -	1.306940	\$ -	0.00497776	\$ -	0.00467797	\$ -	0.00257500	\$ -	0.01223073	\$ -
Commercial Taxable Full Excess Land [Units]	CU	\$ 639,550	0.914858	\$ 585,097	0.00348443	\$ 2,228	0.00327458	\$ 2,094	0.01096500	\$ 7,013	0.01772401	\$ 11,335
Commercial Taxable Full Vacant Land	CX	\$ 7,244,535	0.914858	\$ 6,627,721	0.00348443	\$ 25,243	0.00327458	\$ 23,723	0.01096500	\$ 79,436	0.01772401	\$ 128,402
Commercial Full Vacant Land Shared PIL	CJ	\$ 214,000	0.914858	\$ 195,780	0.00348443	\$ 746	0.00327458	\$ 701	0.01096500	\$ 2,347	0.01772401	\$ 3,793
Shopping Centre Taxable Full	ST	\$ 268,200	1.306940	\$ 350,521	0.00497776	\$ 1,335	0.00467797	\$ 1,255	0.01290000	\$ 3,460	0.02255573	\$ 6,049
New Construction Commercial Taxable Full	XT	\$ 21,371,137	1.306940	\$ 27,930,794	0.00497776	\$ 106,380	0.00467797	\$ 99,974	0.01030000	\$ 220,123	0.01995573	\$ 426,477
New Construction Com Txbl Full Excess Land [Units]	XU	\$ 29,800	0.914858	\$ 27,263	0.00348443	\$ 104	0.00327458	\$ 98	0.00875500	\$ 261	0.01551401	\$ 462
Industrial Taxable Full	IT	\$ 6,259,216	1.858187	\$ 11,630,794	0.00707730	\$ 44,298	0.00665106	\$ 41,630	0.01290000	\$ 80,744	0.02662836	\$ 166,673
Industrial Small-Scale On-Farm Business	I7	\$ -	1.858187	\$ -	0.00707730	\$ -	0.00665106	\$ -	0.00257500	\$ -	0.01630336	\$ -
Industrial Full Shared PIL	IH	\$ 300,500	1.858187	\$ 558,385	0.00707730	\$ 2,127	0.00665106	\$ 1,999	0.01290000	\$ 3,876	0.02662836	\$ 8,002
Industrial Taxable Full Excess Land [Units]	IU	\$ 29,300	1.207822	\$ 35,389	0.00460024	\$ 135	0.00432319	\$ 127	0.01064250	\$ 312	0.01956594	\$ 573
Industrial Taxable Full Vacant Land	IX	\$ 554,000	1.207822	\$ 669,133	0.00460024	\$ 2,549	0.00432319	\$ 2,395	0.01064250	\$ 5,896	0.01956594	\$ 10,840
New Construction Industrial Taxable Full	JT	\$ 365,000	1.858187	\$ 678,238	0.00707730	\$ 2,583	0.00665106	\$ 2,428	0.01030000	\$ 3,760	0.02402836	\$ 8,770
Pipeline Taxable Full	PT	\$ 6,451,946	0.906848	\$ 5,850,934	0.00345392	\$ 22,285	0.00324591	\$ 20,942	0.01030000	\$ 66,455	0.01699983	\$ 109,682
Farm Taxable Full	FT	\$ 144,030,812	0.240000	\$ 34,567,395	0.00091409	\$ 131,657	0.00085904	\$ 123,728	0.00040250	\$ 57,972	0.00217563	\$ 313,358
Total Taxable		\$4,226,585,312		\$4,164,515,511		\$ 15,861,435		\$14,906,175		\$ 8,728,657		\$ 39,496,267

Payment in Lieu of Tax (PIL)	RTC RTQ	CVA Assessment	Tax Ratios	CVA Weighted by Tax ratios	Town Tax Rates	Town Tax Levy	County Tax Rates	County Tax Levy	Education Tax Rates	Education Tax Levy	Total Tax Rates	Total Tax Levy
Residential PIL General (no Education amount)	RG	\$ 18,709,575	1.000000	\$ 18,709,575	0.00380871	\$ 71,259	0.00357933	\$ 66,968	N/A		0.00738804	\$ 138,227
Res PIL Full Tenant of Province	RP	\$ 1,081,950	1.000000	\$ 1,081,950	0.00380871	\$ 4,121	0.00357933	\$ 3,873	0.00161000	\$ 1,742	0.00899804	\$ 9,735
Landfill PIL Full	HF	\$ 572,600	1.000000	\$ 572,600	0.00380871	\$ 2,181	0.00357933	\$ 2,050	0.01290000	\$ 7,387	0.02028804	\$ 11,617
Commercial PIL Full	CF	\$ 6,018,506	1.306940	\$ 7,865,826	0.00497776	\$ 29,959	0.00467797	\$ 28,154	0.01290000	\$ 77,639	0.02255573	\$ 135,752
Commercial PIL General (no Education amount)	CG	\$ 2,458,225	1.306940	\$ 3,212,753	0.00497776	\$ 12,236	0.00467797	\$ 11,500	N/A		0.00965573	\$ 23,736
Commercial PIL Full Tenant of Province	CP	\$ 69,000	1.306940	\$ 90,179	0.00497776	\$ 343	0.00467797	\$ 323	0.01290000	\$ 890	0.02255573	\$ 1,556
Comm PIL General, Vacant Land (no Education amount)	CZ	\$ 239,000	0.914858	\$ 218,651	0.00348443	\$ 833	0.00327458	\$ 783	N/A		0.00675901	\$ 1,615
Total Payment in Lieu (PIL)		\$ 29,148,856	n/a	\$ 31,751,534		\$ 120,932		\$ 113,649		\$ 87,657		\$ 322,239

Total Taxable and Payment in Lieu of Tax (PIL)	RTC RTQ	CVA Assessment	Tax Ratios	CVA Weighted by Tax ratios	Town Tax Rates	Town Tax Levy	County Tax Rates	County Tax Levy	Education Tax Rates	Education Tax Levy	Total Tax Rates	Total Tax Levy
Total		\$4,255,734,168		\$4,196,267,044		\$ 15,982,367		\$15,019,825		\$ 8,816,314		\$ 39,818,506