

2008 ADOPTION OF TAX RATES AND THE ISSUANCE OF PROPERTY TAX NOTICES

Recommendation

The Deputy City Manager/Commissioner of Finance & Corporate Services and the Director of Financial Services, in consultation with the Manager of Property Tax & Assessment recommends:

That a by-law be enacted for the adoption of Municipal, Regional and Education property tax rates and tax ratios, as attached, and for the levy and collection of property tax levies and to provide for the issuance of tax notices requiring payment of property taxes for the year 2008.

Economic Impact

The efficient and timely issuance of the final property tax levy provides a positive economic impact to the City, as it provides the necessary cash flow to meet the City's own needs and its financial obligations to the Region of York and the Province of Ontario for education purposes.

Communications Plan

The final property tax notices for residential, farm, managed forest and pipeline (uncapped classes) will be mailed in late June and in July for commercial, industrial and multi-residential properties (capped classes).

Purpose

The purpose of this report is to provide the background to a by-law as required under Section 312 of the *Municipal Act 2001, S.O. 2001*, to levy and collect property taxes for the City of Vaughan, the Regional Municipality of York and the Province of Ontario for education purposes.

Background - Analysis and Options

The City property tax rates are based on the approved 2008 operating budget.

The Region of York has approved region wide tax ratios, their operating budget and uniform tax rates across the municipalities in the Region.

The Province of Ontario determines education tax rates and has passed Ontario Regulation 103/08 to prescribe the tax rates for 2008. There is no increase in the rates from 2007.

It is expected that residential, farm, managed forest and pipeline (uncapped classes) property tax bills will be mailed in late June, due in three monthly installments or through the pre-authorized payment plan.

Due to the ongoing capping protection for the commercial, industrial and multi-residential property classes, these bills will be produced following the residential bills. Staff expect to be mailing the commercial bills in July with due dates also in three monthly installments.

The City collects property taxes on behalf of the Region of York and the School Boards, therefore installment due dates are generally set to accommodate the legislated payment dates to these other levying bodies. However, for the convenience of the ratepayers, approximately one month between each installment is given. Due dates are usually the same day of each month, set near the middle of the month, except where weekends or holidays interfere.

The City's budgetary requirement is \$114,182,952, levied on \$41 billion in assessment.

The 2008 levy requirements for Municipal, Regional and Educational purposes are shown below:

| | 2008 |
|-------------------------------|---------------|
| City of Vaughan | \$114,182,952 |
| Region of York | \$221,886,479 |
| Education-Province of Ontario | \$230,099,306 |
| Total | \$566,168,737 |

The ratios, passed by the Region of York on April 24, 2008, will remain the same as 2007, as follows:

| PROPERTY CLASS | 2008 TAX RATIO |
|-----------------------|----------------|
| Residential | 1.0000 |
| Multi-Residential | 1.0000 |
| New Multi-Residential | 1.0000 |
| Commercial | 1.2070 |
| Industrial | 1.3737 |
| Pipelines | 0.9190 |
| Farm | 0.2500 |
| Managed Forest | 0.2500 |

The tax rates shown on Attachment A, have been established using the above noted levies, tax ratios and the final assessment roll as returned for 2008.

The 2008 tax year continues to be a non-reassessment year. At this point in time, the next reassessment is still on schedule for the 2009 tax year, based on a January 1, 2008 valuation date.

Relationship to Vaughan Vision 2020

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

Regional Implications

The City of Vaughan will be collecting approx.\$221,886,479 in property taxes on behalf of the Region of York.

Conclusion

A by-law enacted to adopt the Municipal, Regional and Education tax rates and levies for 2008 will permit staff to proceed with the issuance of the final property tax bills.

Attachments

Attachment A – 2008 Property Tax Rates

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Respectfully submitted,

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C I T Y O F V A U G H A N

2008 Tax Rates

| ASSESSMENT CATEGORY | TAX CODES | T A X R A T E S | | | |
|---|--------------|-----------------|------------|------------|------------|
| | | Municipal | Regional | Education | Total |
| <u>Residential</u> | | | | | |
| Taxable Full | RT | 0.00265258 | 0.00515464 | 0.00264000 | 0.01044722 |
| Taxable: Shared Payment-In-Lieu | RH | 0.00265258 | 0.00515464 | 0.00264000 | 0.01044722 |
| Professional Sports Facility: Taxable Full | QT | 0.00265258 | 0.00515464 | 0.00264000 | 0.01044722 |
| <u>Multi Residential</u> | | | | | |
| Taxable Full | MT | 0.00265258 | 0.00515464 | 0.00264000 | 0.01044722 |
| Taxable: Farmland I | M1 | 0.00066315 | 0.00128866 | 0.00066000 | 0.00261181 |
| <u>Commercial</u> | | | | | |
| Taxable Full | CT,DT,ST | 0.00320167 | 0.00622165 | 0.01492897 | 0.02435229 |
| Taxable: Shared Payment-In-Lieu | CH | 0.00320167 | 0.00622165 | 0.01492897 | 0.02435229 |
| Taxable: Excess Land | CU,DU,SU | 0.00224117 | 0.00435516 | 0.01045028 | 0.01704661 |
| Taxable: Vacant Land | CX | 0.00224117 | 0.00435516 | 0.01045028 | 0.01704661 |
| Taxable Vacant Land: Shared Payment-In-Lieu | CJ | 0.00224117 | 0.00435516 | 0.01045028 | 0.01704661 |
| Taxable: Farmland I | C1 | 0.00066315 | 0.00128866 | 0.00066000 | 0.00261181 |
| <u>Industrial</u> | | | | | |
| Taxable Full | IT,LT | 0.00364386 | 0.00708093 | 0.01656911 | 0.02729390 |
| Taxable: Shared Payment-In-Lieu | IH | 0.00364386 | 0.00708093 | 0.01656911 | 0.02729390 |
| Taxable: Excess Land | IU,LU | 0.00236851 | 0.00460260 | 0.01076992 | 0.01774103 |
| Taxable Excess Land: Shared Payment-In-Lieu | IK | 0.00236851 | 0.00460260 | 0.01076992 | 0.01774103 |
| Taxable: Vacant Land | IX | 0.00236851 | 0.00460260 | 0.01076992 | 0.01774103 |
| Taxable: Farmland I | I1 | 0.00066315 | 0.00128866 | 0.00066000 | 0.00261181 |
| Pipeline Taxable Full | PT | 0.00243772 | 0.00473711 | 0.01752935 | 0.02470418 |
| Farm Taxable Full | FT | 0.00066315 | 0.00128866 | 0.00066000 | 0.00261181 |
| Managed Forest Taxable Full | TT | 0.00066315 | 0.00128866 | 0.00066000 | 0.00261181 |