

**2010 ADOPTION OF TAX RATES AND THE ISSUANCE OF PROPERTY TAX NOTICES**

**Recommendation**

The Commissioner of Finance/City Treasurer 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, 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 2010.

**Contribution to Sustainability**

This is not applicable to this report.

**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 will be mailed in late June and in July for commercial, industrial and multi-residential properties. Advertised notices for the final property tax notices will be posted in all local papers in late June, early July and August as well as on the on-line City Page.

**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. It will also provide the background to the continuing support of the Vaughan Health Campus of Care (VHCC) funding request from 2009.

**Background - Analysis and Options**

2010 is the second year of the new legislated cycle of reassessment every four (4) years with a mandatory phase-in of assessment increases for all property classes. The four-year program, effective January 1, 2009, will be in effect until the 2012 tax year and will utilize assessment values (CVA) based as of January 1, 2008.

The City property tax rates, as attached, are based on the approved 2010 operating budget.

The Region of York has approved By-law No. 2010-27 which sets region wide tax ratios and uniform tax rates across all municipalities in the Region. In addition to existing policies for property tax capping options for business properties, the Region approved and adopted the new provincial legislation that will allow a property to remain at full Current Value Assessment (CVA) tax once the property achieves full CVA tax. These properties will no longer qualify for the Capping program. These policies remain in effect for the tax year 2010.

The Province of Ontario determines education tax rates and has passed Ontario Regulation 118/10 to prescribe the tax rates for 2010.

It is expected that residential, farm, managed forest and pipeline (uncapped classes) property tax bills will be mailed in 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 except where weekends or holidays interfere.

The City's budgetary requirement is \$129,829,816 levied on \$48.8 billion in assessment. The 2010 levy requirements for Municipal, Regional, and Educational purposes are shown below:

	2010
City of Vaughan	\$129,829,816
Region of York	\$244,219,572
Education-Province of Ontario	\$243,584,576
Total	\$617,633,964

### Tax Ratios

The Region of York has the authority to change tax ratios to offset re-assessment tax shifts among the property classes. Changing the tax ratios will assist in maintaining the relative tax burden among the classes thereby providing greater taxpayer equity. Area Treasurers were consulted and met with Regional staff in regards to the changes to the property tax ratios. Regional Council approved the below change in the property tax ratios for 2010 on December 17<sup>th</sup>, 2009. A memo to Mayor and Members of Council provided an overview of the property tax ratio changes for the remainder of the phase-in period in November 2009.

The 2010 property tax ratios are as follows:

PROPERTY CLASS	2010 TAX RATIO
Residential	1.0000
Multi-Residential	1.0000
New Multi-Residential	1.0000
Commercial	1.1800
Industrial	1.3575
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 2010.

### Vaughan Health Campus of Care Funding Request

The Government of Ontario requires local communities to support the development of hospitals in their community. Recognizing this, the City of Vaughan approved in principle the provision of a significant financial contribution to Vaughan Health Campus of Care (VHCC). In June of last year for the purposes of site acquisition and hospital development in Vaughan a grant to VHCC was approved by Council. The property tax increase to fund this grant will be phased-in over a four year period starting in 2009.

For 2010 the second year of the phase-in funding for this grant to VHCC will be collected on the 2010 final property tax bill. The grant does not form part of the City's operations and as such will be shown separately on individual property tax bills.

## **Relationship to Vaughan Vision 2020**

In consideration of the strategic priorities related to Vaughan Vision 2020, the issuance of the final property tax levy will enhance:

- Service Excellence: Pursue Excellence in Service Delivery
- Management Excellence: Ensure Financial Sustainability

## **Regional Implications**

The City of Vaughan will be collecting approx. \$244,219,572 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 2010 will permit staff to proceed with the issuance of the final property tax bills.

## **Attachments**

Attachment 1 – 2010 Property Tax Rates

## **Report prepared by:**

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Respectfully submitted,

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Barbara Cribbett, CMA  
Commissioner of Finance/City Treasurer

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Barry E. Jackson, CGA  
Director of Financial Services



# CITY OF VAUGHAN

## 2010 Tax Rates

ASSESSMENT CATEGORY	TAX CODES	TAX RATES					
		Municipal			Regional	Education	Total
		TAX	HOSPITAL	SUB TOTAL			
<b>Residential</b>							
Taxable Full	RT	0.00252591	0.00006286	0.00258877	0.00477021	0.00241000	0.00976898
Taxable: Shared Payment-In-Lieu	RH	0.00252591	0.00006286	0.00258877	0.00477021	0.00241000	0.00976898
<b>Multi Residential</b>							
Taxable Full	MT	0.00252591	0.00006286	0.00258877	0.00477021	0.00241000	0.00976898
Taxable: Farmland I	M1	0.00063148	0.00001572	0.00064720	0.00119255	0.00060250	0.00244225
<b>Commercial</b>							
Taxable Full	CT,DT,ST	0.00298058	0.00007418	0.00305476	0.00562885	0.01289313	0.02157674
New Construction: Taxable Full	XT,YT,ZT	0.00298058	0.00007418	0.00305476	0.00562885	0.01289313	0.02157674
Taxable: Shared Payment-In-Lieu	CH	0.00298058	0.00007418	0.00305476	0.00562885	0.01289313	0.02157674
Taxable: Excess Land	CU,DU,SU	0.00208641	0.00005192	0.00213833	0.00394019	0.00902519	0.01510371
New Construction: Taxable Excess Land	XU,ZU	0.00208641	0.00005192	0.00213833	0.00394019	0.00902519	0.01510371
Taxable: Vacant Land	CX	0.00208641	0.00005192	0.00213833	0.00394019	0.00902519	0.01510371
New Construction: Taxable Vacant Land	XX	0.00208641	0.00005192	0.00213833	0.00394019	0.00902519	0.01510371
Taxable: Farmland I	C1	0.00063148	0.00001572	0.00064720	0.00119255	0.00060250	0.00244225
<b>Industrial</b>							
Taxable Full	IT,LT	0.00342893	0.00008533	0.00351426	0.00647556	0.01459012	0.02457994
New Construction: Taxable Full	JT,KT	0.00342893	0.00008533	0.00351426	0.00647556	0.01430000	0.02428982
Taxable: Shared Payment-In-Lieu	IH	0.00342893	0.00008533	0.00351426	0.00647556	0.01459012	0.02457994
Taxable: Excess Land	IU,LU	0.00222880	0.00005547	0.00228427	0.00420911	0.00948358	0.01597696
Taxable Excess Land: Shared Payment-In-Lieu	IK	0.00222880	0.00005547	0.00228427	0.00420911	0.00948358	0.01597696
Taxable: Vacant Land	IX	0.00222880	0.00005547	0.00228427	0.00420911	0.00948358	0.01597696
Taxable: Farmland I	I1	0.00063148	0.00001572	0.00064720	0.00119255	0.00060250	0.00244225
Pipeline Taxable Full	PT	0.00232131	0.00005778	0.00237909	0.00438382	0.01639230	0.02315521
Farm Taxable Full	FT	0.00063148	0.00001572	0.00064720	0.00119255	0.00060250	0.00244225
Managed Forest Taxable Full	TT	0.00063148	0.00001572	0.00064720	0.00119255	0.00060250	0.00244225

*\* Note:* Refer to Item 20, Committee of the Whole Report No. 21, Council meeting May 18, 2010. For a copy of the original Attachment 1, contact the City Clerk's Office.