

2011 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 2011.

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

2011 is the third 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 levy requirement for the 2011 operating budget.

The Region of York has approved By-law Nos. 2011-15 and 2011-16 which set 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 2011.

The Province of Ontario determines education tax rates and has passed Ontario Regulation 114/11 to prescribe the tax rates for all classes for 2011.

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 City's 11 month 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 providing 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 \$141,670,318 levied on \$52.9 billion in assessment. The 2011 levy requirements for Municipal, Regional, and Educational purposes are shown below:

	2011
City of Vaughan	\$141,670,318
Region of York	\$255,078,779
Education-Province of Ontario	\$252,247,040
Total	\$648,996,137

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 assists 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 changes in the property tax ratios for the period 2010 to 2012 on December 17th, 2009.

The 2011 property tax ratios are as follows:

PROPERTY CLASS	2011 TAX RATIO
Residential	1.0000
Multi-Residential	1.0000
New Multi-Residential	1.0000
Commercial	1.1431
Industrial	1.3305
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 2011.

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 2009, a grant to VHCC was approved by Council for the purposes of site acquisition and hospital development in Vaughan. Starting in 2009, the property tax increase to fund this grant will be phased-in over a five year period.

For 2011 the third year of the phase-in funding for this grant to VHCC will be collected on the 2011 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. \$255,078,779 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 2011 will permit staff to proceed with the issuance of the final property tax bills.

Attachments

Attachment 1 – 2011 Property Tax Rates

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Respectfully submitted,

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Barry E. Jackson, CGA
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CITY OF VAUGHAN

2011 TAX RATES

ASSESSMENT CATEGORY	TAX CODES	TAX RATES					
		Municipal GENERAL	Municipal HOSPITAL	Municipal TOTAL	Regional	Education	TOTAL
Residential							
Taxable Full	RT	0.00249378	0.00008060	0.00257438	0.00463520	0.00231000	0.00951958
Taxable: Shared Payment-In-Lieu	RH	0.00249378	0.00008060	0.00257438	0.00463520	0.00231000	0.00951958
Multi Residential							
Taxable Full	MT	0.00249378	0.00008060	0.00257438	0.00463520	0.00231000	0.00951958
Taxable: Farmland I	M1	0.00062345	0.00002015	0.00064360	0.00115880	0.00057750	0.00237990
Commercial							
Commercial Taxable Full	CT,DT,ST	0.00285065	0.00009213	0.00294278	0.00529850	0.01204043	0.02028171
Commercial: Taxable Shared Payment-In-Lieu	CH	0.00285065	0.00009213	0.00294278	0.00529850	0.01204043	0.02028171
Commercial: Taxable Excess Land	CU,DU,SU	0.00199545	0.00006449	0.00205994	0.00370895	0.00842830	0.01419719
Commercial New Construction: Taxable Full	XT	0.00285065	0.00009213	0.00294278	0.00529850	0.01204043	0.02028171
Commercial New Construction: Taxable Excess Land	XU	0.00199545	0.00006449	0.00205994	0.00370895	0.00842830	0.01419719
Office Building New Construction: Taxable Full	YT	0.00285065	0.00009213	0.00294278	0.00529850	0.01204043	0.02028171
Shopping Centre New Construction: Taxable Full	ZT	0.00285065	0.00009213	0.00294278	0.00529850	0.01204043	0.02028171
Shopping Centre New Construction: Taxable Excess Land	ZU	0.00199545	0.00006449	0.00205994	0.00370895	0.00842830	0.01419719
Commercial: Taxable Vacant Land	CX	0.00199545	0.00006449	0.00205994	0.00370895	0.00842830	0.01419719
Commercial: Taxable Farmland I	C1	0.00062345	0.00002015	0.00064360	0.00115880	0.00057750	0.00237990
Parking Lot: Taxable Full	GT	0.00285065	0.00009213	0.00294278	0.00529850	0.01204043	0.02028171
Industrial							
Industrial: Taxable Full	IT,LT	0.00331798	0.00010724	0.00342522	0.00616713	0.01375265	0.02334500
Industrial: Taxable Shared Payment-In-Lieu	IH	0.00331798	0.00010724	0.00342522	0.00616713	0.01375265	0.02334500
Industrial: Taxable Excess Land	IU,LU	0.00215669	0.00006970	0.00222639	0.00400864	0.00893922	0.01517425
Industrial: Taxable Excess Land Shared Payment-In-Lieu	IK	0.00215669	0.00006970	0.00222639	0.00400864	0.00893922	0.01517425
Industrial: Taxable Vacant Land	IX	0.00215669	0.00006970	0.00222639	0.00400864	0.00893922	0.01517425
Industrial: Taxable Farmland I	I1	0.00062345	0.00002015	0.00064360	0.00115880	0.00057750	0.00237990
Industrial New Construction: Taxable Full	JT	0.00331798	0.00010724	0.00342522	0.00616713	0.01330000	0.02289235
Industrial New Construction: Taxable Excess Land	JU	0.00215669	0.00006970	0.00222639	0.00400864	0.00893922	0.01517425
Large Industrial New Construction: Taxable Full	KT	0.00331798	0.00010724	0.00342522	0.00616713	0.01330000	0.02289235
Pipeline Taxable Full	PT	0.00229178	0.00007407	0.00236585	0.00425975	0.01585785	0.02248345
Farm							
Taxable Full	FT	0.00062345	0.00002015	0.00064360	0.00115880	0.00057750	0.00237990
Managed Forest Taxable Full	TT	0.00062345	0.00002015	0.00064360	0.00115880	0.00057750	0.00237990

Attachment 1