

2012 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 2012.

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 funding for the Vaughan Hospital Land.

Background - Analysis and Options

2012 is the fourth and final 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 utilize assessment values (CVA) based as of January 1, 2008.

The City property tax rates, as attached, are based on the levy requirement as per the approved 2012 operating budget.

The Region of York has approved By-law Nos. 2012-14 and 2012-20 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 2012.

The Province of Ontario determines education tax rates and has passed Ontario Regulation 60/12 to prescribe the tax rates for all classes for 2012.

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 \$151,970,669 levied on \$57.1 billion in assessment. The 2012 levy requirements for Municipal, Regional, and Educational purposes are shown below:

	2012
City of Vaughan	\$151,970,669
Region of York	\$268,712,037
Education-Province of Ontario	<u>\$258,512,717</u>
Total	\$679,195,423

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 2012 property tax ratios are as follows:

PROPERTY CLASS	2012 TAX RATIO
Residential	1.0000
Multi-Residential	1.0000
New Multi-Residential	1.0000
Commercial	1.1172
Industrial	1.3124
Pipelines	0.9190
Farm	0.2500
Managed Forest	0.2500

The tax rates shown on Attachment 1, have been established using the above noted levies, tax ratios and the final assessment roll as returned for 2012.

Vaughan Hospital Land Requisition 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 the future hospital. In June 2009, Council approved a contribution of \$80 million for site acquisition and hospital development in Vaughan. Starting in 2009, the property tax increase to fund this contribution will be phased-in over a five year period.

For 2012, the fourth year of the phase-in funding for this contribution to a future hospital in Vaughan, will be collected on the 2012 final property tax bill. The contribution 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. \$268,712,037 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 2012 will permit staff to proceed with the issuance of the final property tax bills.

Attachments

Attachment 1 – 2012 Property Tax Rates

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Respectfully submitted,

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Commissioner of Finance & City Treasurer

Barry E. Jackson, CGA
Director of Financial Services

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

2012 TAX RATES

ASSESSMENT CATEGORY	TAX CODES	TAX RATES					
		Municipal GENERAL	Municipal HOSPITAL	Municipal	Regional	Education	TOTAL
Residential							
Taxable Full	RT	0.00246478	0.00009654	0.00256132	0.00452889	0.00221000	0.00930021
Taxable: Shared Payment-In-Lieu	RH	0.00246478	0.00009654	0.00256132	0.00452889	0.00221000	0.00930021
Multi Residential							
Taxable Full	MT	0.00246478	0.00009654	0.00256132	0.00452889	0.00221000	0.00930021
Taxable: Farmland I	M1	0.00061620	0.00002413	0.00064033	0.00113222	0.00055250	0.00232505
Commercial							
Commercial Taxable Full	CT,DT,ST	0.00275366	0.00010785	0.00286151	0.00505968	0.01129617	0.01921736
Commercial: Taxable Shared Payment-In-Lieu	CH	0.00275366	0.00010785	0.00286151	0.00505968	0.01129617	0.01921736
Commercial: Taxable Excess Land	CU,DU,SU	0.00192756	0.00007550	0.00200306	0.00354177	0.00790732	0.01345215
Commercial New Construction: Taxable Full	XT	0.00275366	0.00010785	0.00286151	0.00505968	0.01129617	0.01921736
Commercial New Construction: Taxable Excess Land	XU	0.00192756	0.00007550	0.00200306	0.00354177	0.00790732	0.01345215
Office Building New Construction: Taxable Full	YT	0.00275366	0.00010785	0.00286151	0.00505968	0.01129617	0.01921736
Office Building New Construction: Taxable Excess Land	YU	0.00192756	0.00007550	0.00200306	0.00354177	0.00790732	0.01345215
Shopping Centre New Construction: Taxable Full	ZT	0.00275366	0.00010785	0.00286151	0.00505968	0.01129617	0.01921736
Shopping Centre New Construction: Taxable Excess Land	ZU	0.00192756	0.00007550	0.00200306	0.00354177	0.00790732	0.01345215
Commercial: Taxable Vacant Land	CX	0.00192756	0.00007550	0.00200306	0.00354177	0.00790732	0.01345215
Commercial: Taxable Farmland I	C1	0.00061620	0.00002413	0.00064033	0.00113222	0.00055250	0.00232505
Parking Lot: Taxable Full	GT	0.00275366	0.00010785	0.00286151	0.00505968	0.01129617	0.01921736
Industrial							
Industrial: Taxable Full	IT,LT	0.00323478	0.00012670	0.00336148	0.00594372	0.01301035	0.02231555
Industrial: Taxable Shared Payment-In-Lieu	IH	0.00323478	0.00012670	0.00336148	0.00594372	0.01301035	0.02231555
Industrial: Taxable Excess Land	IU,LU	0.00210261	0.00008235	0.00218496	0.00386342	0.00845673	0.01450511
Industrial: Taxable Excess Land Shared Payment-In-Lieu	IK	0.00210261	0.00008235	0.00218496	0.00386342	0.00845673	0.01450511
Industrial: Taxable Vacant Land	IX	0.00210261	0.00008235	0.00218496	0.00386342	0.00845673	0.01450511
Industrial: Taxable Farmland I	I1	0.00061620	0.00002413	0.00064033	0.00113222	0.00055250	0.00232505
Industrial New Construction: Taxable Full	JT	0.00323478	0.00012670	0.00336148	0.00594372	0.01260000	0.02190520
Industrial New Construction: Taxable Excess Land	JU	0.00210261	0.00008235	0.00218496	0.00386342	0.00845673	0.01450511
Large Industrial New Construction: Taxable Full	KT	0.00323478	0.00012670	0.00336148	0.00594372	0.01260000	0.02190520
Pipeline Taxable Full	PT	0.00226513	0.00008872	0.00235385	0.00416205	0.01535021	0.02186611
Farm							
Taxable Full	FT	0.00061620	0.00002413	0.00064033	0.00113222	0.00055250	0.00232505
Managed Forest Taxable Full	TT	0.00061620	0.00002413	0.00064033	0.00113222	0.00055250	0.00232505