

2009 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:

- 1) That the property tax rates as attached be amended if required as a result of the Council meeting to be held on June 15, 2009 regarding an amendment to the City's Budgets for a grant to the Vaughan Health Campus of Care (VHCC), and;
- 2) That a by-law be enacted for the adoption of Municipal, Regional and Education property tax 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 2009.

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.

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 and to provide background for the funding request made by the VHCC.

Background - Analysis and Options

Effective January 1, 2009, the new legislated cycle of reassessment every four (4) years begins with a mandatory phase-in of assessment increases for all property classes. This first four-year program 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 2009 operating budget. These tax rates are subject to amendment if required as a result of the Council meeting to be held on June 15, 2009 regarding the financial support to the Vaughan Health Campus of Care (VHCC) for the purposes of site acquisition and hospital development in Vaughan.

The Region of York has approved By-law No. 2009-19, which sets region wide tax ratios and uniform tax rates across all municipalities in the Region. In addition to the current policies for property tax capping options for business properties, the Region is currently looking at new provincial legislation now available that will allow a property to remain at full Current Value Assessment (CVA) tax once the property achieves full CVA tax. They would no longer qualify for the Capping program. The proposed recommendations are set to be heard at the Region's Finance and Administration Committee on June 11, 2009.

The Province of Ontario determines education tax rates and has passed Ontario Regulation 92/09 to prescribe the tax rates for 2009.

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 \$121,171,636 levied on \$44.8 billion in assessment. The 2009 levy requirements for Municipal, Regional, and Educational purposes are shown below:

	2009
City of Vaughan	\$121,171,636
Region of York	\$234,934,547
Education-Province of Ontario	\$236,675,277
Total	\$592,781,460

The ratios, passed by the Region of York on April 23, 2009, will remain the same as 2008, as follows:

PROPERTY CLASS	2009 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 2009.

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 2008 for the purposes of site acquisition and hospital development in Vaughan. The final determination of the total local share ultimately depends on land costs and total hospital development costs.

As a result of the Special Committee of the Whole held on May 21, 2009, the City of Vaughan is recommending that a grant be provided to the Vaughan Health Campus of Care (VHCC). There will be a Council meeting on June 15, 2009 regarding an amendment to the City's Budgets for this grant to the VHCC. Consequently, the property tax rates may be amended. The funding of the grant is not part of the City's operations and as such will be shown separately on individual property tax bills.

Council will be dealing with the item to amend the City's Budgets at the Council meeting of June 15, 2009.

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. \$234,934,547 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 2009 will permit staff to proceed with the issuance of the final property tax bills.

Attachments

Attachment 1 – 2009 Property Tax Rates

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Respectfully submitted,

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Commissioner of Finance & Corporate Services

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Director of Financial Services

CITY OF VAUGHAN 2009 Tax Rates

ASSESSMENT CATEGORY	TAX CODES	TAX RATES			
		Municipal	Regional	Education	Total
<u>Residential</u> Taxable Full Taxable: Shared Payment-In-Lieu	RT	0.00257925	0.00500081	0.00252000	0.01010006
	FH	0.00257925	0.00500081	0.00252000	0.01010006
<u>Multi Residential</u> Taxable Full Taxable: Farmland 1	WRT	0.00257925	0.00500081	0.00252000	0.01010006
	WRT MRT	0.00064481	0.00125020	0.00063000	0.00252501
<u>Commercial</u> Taxable Full Taxable: Shared Payment-In-Lieu Taxable: Excess Land Taxable: Vacant Land Taxable: Farmland 1	CT,DT,ST,XT GH	0.00311319	0.00603598	0.01388926	0.02300843
	CU,DU,SU GX,XX CI	0.00317923 0.00217923 0.00064481	0.00606598 0.00422518 0.00125020	0.00970148 0.00970148 0.00063000	0.02300843 0.01610589 0.00252501
<u>Industrial</u> Taxable Full Taxable: Shared Payment-In-Lieu Taxable: Excess Land Taxable: Vacant Land Taxable: Farmland 1	IT,LT IH	0.00354319	0.00689961	0.014532479	0.02537759
	ML,LU IK IX I1	0.00230307 0.00230307 0.00064481	0.00446525 0.00446525 0.00125020	0.01009111 0.01009111 0.00983000	0.01685943 0.01685943 0.02537501
<u>Pipeline Taxable Full</u>	PT	0.00237033	0.00469574	0.01694514	0.02391121
<u>Farm Taxable Full</u>	FT	0.00064481	0.00125020	0.00063000	0.00252501
<u>Managed Forest Taxable Full</u>	TI	0.00064481	0.00125020	0.00063000	0.00252501