1
2010 PROPERTY TAX RATES

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report dated February 19, 2010, from the Commissioner of Finance.

1. RECOMMENDATIONS

It is recommended that:

1. The broad property class tax rates for 2010 be established as follows:

Broad Property Class	2010 Tax Rates %
Residential/Farm	0.477021
Multi-Residential	0.477021
Commercial	0.562885
Industrial	0.647556
Pipeline	0.438382
Farmland	0.119255
Managed Forests	0.119255

2. The local municipalities pay the final instalments of property tax, as raised on behalf of the Region, on or before September 30, 2010 and December 15, 2010.

2. PURPOSE

This report requests that Council adopt the 2010 proposed tax rates needed to raise the property tax levy portion of the 2010 Regional Budget.

3. BACKGROUND

Tax rates reflect the phasing-in of reassessment

For the purpose of this report, the property values used for the 2010 taxation year are based on the 2008 reassessment, as returned by the Municipal Property Assessment Corporation, and represent the phased-in assessment of the four-year cycle ending 2012.

Tax Rate By-law is required annually

Section 311(2) of the Act requires that an upper-tier tax rating by-law be passed each year, unless otherwise specified by the Province, which sets out the tax rates for each property class that would raise sufficient revenues to meet its budgetary requirements.

4. ANALYSIS AND OPTIONS

2010 tax rates are determined by the approved budget requirements, assessment values and tax ratios

Tax ratios reflect how the tax rate of a property class compares to the residential tax rate, with the residential class tax ratio being equal to "one". The ratios used for determining our tax rates are those approved by Council on December 16, 2009 for the years 2010-2012.

The 2010 Budget approved by Regional Council on December 16, 2009 requires a property tax levy of $756,070,000. Table 1 illustrates a comparison of the 2009 approved Regional tax rates and the proposed 2010 rates.

Table 1
2009 Approved Regional Tax Rates and 2010 Proposed Rates

Broad Property Class	2009 Approved Regional Tax Rates %	2010 Tax Rates %
Residential/Farm	0.500081	0.477021
Multi-Residential	0.500081	0.477021
New Multi-Residential	0.500081	0.477021
Commercial	0.603598	0.562885
Industrial	0.686961	0.647556
Pipeline	0.459574	0.438382
Farmland	0.125020	0.119255
Managed Forests	0.125020	0.119255

Along with the 2008 reassessment, the Province introduced the phase in of assessment increases for the 2009 to 2012 taxation years. Therefore it is typical that when the assessment base of all classes has increased at a greater rate than the property tax funding requirement that tax rates decrease relative to the previous year. Since there was no budgetary increase for 2010, the rates identified above have all decreased from those in 2009.

5. FINANCIAL IMPLICATIONS

Table 2 lists a distribution of Regional revenues by class based on the proposed tax rates.

Table 2
2010 Tax Rates and Regional Revenues by Class for Illustration

Property Assessment Class	2010 Regional Revenue Generated	2010 Proposed Regional Tax Rate
Residential	593,485,342	0.477021%
Residential Taxable (Shared as PIL)	47,260	0.477021%
Residential – FAD Phase 1	736	0.119255%
Multi-Residential	5,649,167	0.477021%
Commercial Occupied	73,908,761	0.562885%
Commercial Excess Land	1,641,598	0.394019%
Commercial Vacant Land	2,828,138	0.394019%
Commercial – FAD Phase 1	35,158	0.119255%
Commercial (previous Ontario Hydro)	135,680	0.562885%
Commercial Vacant (Shared as PIL)	16,799	0.394019%
Office Building	10,280,562	0.562885%
Office Building Vacant Units and Excess	121,357	0.394019%
Shopping Centre	20,950,292	0.562885%
Shopping Centre Vacant Units and Excess	118,800	0.394019%
Commercial Occupied (New Construction)	1,946,238	0.562885%
Commercial Excess Land (New Construction)	72,572	0.394019%
Commercial Vacant Land (New Construction)	19,210	0.394019%
Office Building (New Construction)	199,897	0.562885%
Shopping Centre (New Construction)	873,346	0.562885%
Shopping Centre Excess (New Construction)	31,826	0.394019%
Industrial Occupied	26,445,421	0.647556%
Industrial Excess Land	256,007	0.420911%
Industrial Vacant Land	3,006,212	0.420911%
Industrial FAD Phase 1	87,044	0.119255%
Industrial (previous Ontario Hydro)	320,075	0.647556%
Industrial (previous Ontario Hydro) Excess	80,831	0.420911%
Industrial Occupied (New Construction)	352,480	0.647556%
Industrial Excess Land (New Construction)	32,980	0.420911%
Large Industrial (New Construction)	96,315	0.647556%
Large Industrial	6,550,016	0.647556%
Large Industrial Vacant Units and Excess	77,254	0.420911%
Pipeline	945,663	0.438382%
Farmland	1,194,038	0.119255%
Managed Forest	35,944	0.119255%
Railway Right-Of-Way (Estimated)	588,672	*
Utility Transmission (Estimated)	1,100,309	*
Payments-in-Lieu (Estimated)	2,538,000	N/A
Total 2010 Regional Tax Requirement	**$ 756,070,000**	

* Tax rates for linear properties have been prescribed by the Minister of Finance.

6. LOCAL MUNICIPAL IMPACT

Subsection 311(11) of the Act requires that an upper-tier rating by-law shall estimate the amount of upper-tier tax to be raised in each of the local municipalities. A table of the estimated Regional tax revenue to be raised by the local municipalities is shown below based on the proposed 2010 tax rates.

Table 3
2010 Regional Tax Revenue to be Raised by Local Municipalities

Municipality	2009 Tax Requirement	2009 Share	2010 Tax Requirement	2010 Share
	$	%	$	%
Aurora	35,428,009	4.83	36,377,838	4.82
East Gwillimbury	14,547,935	1.98	14,801,684	1.96
Georgina	21,764,663	2.97	22,012,849	2.92
King	18,417,076	2.51	18,858,726	2.50
Markham	204,382,893	27.86	209,147,567	27.75
Newmarket	47,387,363	6.46	47,923,239	6.35
Richmond Hill	131,110,418	17.87	133,873,600	17.81
Vaughan	235,489,002	32.10	244,219,572	32.40
Whitchurch-Stouffville	25,164,664	3.43	26,316,925	3.49
Sub-Total	733,692,023	100.00	753,532,000	100.00
Payments-in-Lieu	2,499,977		2,538,000	
Total Tax Requirement	**736,192,000**		**756,070,000**	

Dates for instalment payments for 2010 are determined in the Municipal Act

Subsection 311(12) of the Act provides that an upper-tier rating by-law may require specified portions of the estimate to be paid by the local municipalities on or before specified dates. It is recommended that the Regional Treasurer request that the remaining instalments for the property tax levy estimate be paid on or before September 30, 2010 and December 15, 2010.

7. CONCLUSION

This report recommends that Council adopt the proposed 2010 tax rates required to raise the property tax levy requirement that was approved by Council on December 16, 2009. As well, the report provides the 2010 proposed tax rates and the dates for the remittance of the remaining instalment payments.

For more information on this report, please contact Brian Parrott, Manager, Fiscal Policy at Ext. 1667.

The Senior Management Group has reviewed this report.