2
2009 PROPERTY TAX RATES

The Finance and Administration Committee recommends adoption of the recommendations contained in the following report dated March 18, 2009, from the Commissioner of Finance.

1. RECOMMENDATION

It is recommended that:

1. The broad property class tax rates for 2009 be established as follows:

Broad Property Class	2009 Tax Rates %
Residential/Farm	0.500081
Multi-Residential	0.500081
New Multi-Residential	0.500081
Commercial	0.603598
Industrial	0.686961
Pipeline	0.459574
Farmland	0.125020
Managed Forests	0.125020

2. The local municipalities pay the final instalments of property tax, as raised on behalf of the Region, on or before September 30, 2009 and December 15, 2009.

3. The Regional Solicitor be authorized to prepare the necessary by-law to give effect to the above recommendations.

2. PURPOSE

This report requests that Council adopt the 2009 rates needed to raise the property tax levy portion of the 2009 Regional Budget.

3. BACKGROUND

3.1 Assessment Cycle

For the purpose of this report, the property values used for the 2009 taxation year are based on the 2008 reassessment as returned by the Municipal Property Assessment Corporation.

3.2 Tax Rate By-law Required

Section 311(2) of the Act requires that an upper-tier tax rating by-law be passed on or before April 30 in 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

4.1 Tax Ratios

The tax ratios used for the tax rate calculation are those as recommended in the report, “2009 Property Tax Ratios (Revised)”. Until the 2009 tax ratios are approved, the tax rates shown below are for illustration purposes.

4.2 2009 Tax Rates for Illustration

The 2009 Budget approved by Regional Council on February 19, 2009 requires a property tax levy of $736,192,000. Table 1 illustrates a comparison of the 2008 approved Regional tax rates and the 2009 rates.

Table 1
2008 Approved Regional Tax Rates and 2009 Rates for Illustration

Broad Property Class	2008 Approved Regional Tax Rates %	2009 Tax Rates %
Residential/Farm	0.515464	0.500081
Multi-Residential	0.515464	0.500081
New Multi-Residential	0.515464	0.500081
Commercial	0.622165	0.603598
Industrial	0.708093	0.686961
Pipeline	0.473711	0.459574
Farmland	0.128866	0.125020
Managed Forests	0.128866	0.125020

In a reassessment year, when the assessment base of all classes has increased at a greater rate than the property tax funding requirement it is typical to observe tax rates decreasing relative to the previous year. This is true in calculating the 2009 tax rates in relation to the 2008 tax rates.

5. FINANCIAL IMPLICATIONS

Table 2 lists a distribution of Regional revenues by class based on the tax rates provided for illustration. The final 2009 tax rates will be provided in the rating by-law and will be the same as provided in this report if there is no change to the recommended tax ratios.

Table 2
2009 Tax Rates and Regional Revenues by Class for Illustration

Property Assessment Class	2009 Regional Revenue Generated	2009 Regional Tax Rate for Illustration
Residential	579,780,370	0.500081%
Residential Taxable (Shared as PIL)	48,990	0.500081%
Residential – FAD Phase 1	724	0.125020%
Multi-Residential	5,231,948	0.500081%
New Multi-Residential	-	0.500081%
Commercial Occupied	72,272,090	0.603598%
Commercial Excess Land	1,774,543	0.422518%
Commercial Vacant Land	2,364,888	0.422518%
Commercial – FAD Phase 1	37,809	0.125020%
Commercial (previous Ontario Hydro)	138,829	0.603598%
Commercial Vacant (Shared as PIL)	13,615	0.422518%
Office Building	10,041,055	0.603598%
Office Building Vacant Units and Excess	88,122	0.422518%
Shopping Centre	20,017,489	0.603598%
Shopping Centre Vacant Units and Excess	114,325	0.422518%
Commercial Occupied (New Construction)	350,449	0.603598%
Commercial Excess Land (New Construction)	6,848	0.422518%
Commercial Vacant Land (New Construction)	18,539	0.422518%
Parking Lot	-	0.603598%
Industrial Occupied	26,539,385	0.686961%
Industrial Excess Land	270,165	0.446525%
Industrial Vacant Land	3,335,854	0.446525%
Industrial FAD Phase 1	81,393	0.125020%
Industrial (previous Ontario Hydro)	316,242	0.686961%
Industrial (previous Ontario Hydro) Excess	81,585	0.446525%
Industrial Occupied (New Construction)	128,537	0.686961%
Industrial Excess Land (New Construction)	2,427	0.446525%
Large Industrial	6,760,439	0.686961%
Large Industrial Vacant Units and Excess	88,664	0.446525%
Pipeline	936,632	0.459574%

Farmland	1,119,482	0.125020%
Managed Forest	38,389	0.125020%
Railway Right-Of-Way (Estimated)	589,791	*
Utility Transmission (Estimated)	1,102,405	*
Payments-in-Lieu (Estimated)	2,499,977	N/A
Total 2009 Regional Tax Requirement	**$ 736,192,000**	

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

6. LOCAL MUNICIPAL IMPACT

6.1 Estimate of Taxes Raised

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 2009 tax rates.

Table 3
2009 Regional Tax Revenue to be Raised by Local Municipalities

Municipality	2008 Tax Requirement	2008 Share	2009 Tax Requirement	2009 Share
	$	%	$	%
Aurora	34,040,190	4.87	35,428,009	4.83
East Gwillimbury	14,179,128	2.03	14,547,935	1.98
Georgina	21,356,583	3.06	21,764,663	2.97
King	17,800,945	2.55	18,417,076	2.51
Markham	193,585,057	27.70	204,382,893	27.86
Newmarket	45,651,302	6.53	47,387,363	6.46
Richmond Hill	126,102,383	18.05	131,110,418	17.87
Vaughan	222,942,106	31.90	235,489,002	32.10
Whitchurch-Stouffville	23,117,575	3.31	25,164,664	3.43
Sub-Total	698,775,269	100.00	733,692,023	100.00
Payments-in-Lieu	2,568,520		2,499,977	
Total Tax Requirement	**701,343,789**		**736,192,000**	

6.2 Dates for Instalment Payments

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, 2009 and December 15, 2009.

7. CONCLUSION

This report recommends that Council adopt the recommended tax rates required to raise the property tax levy requirement that was approved by Council on February 19, 2009. As well, the report provides an illustration of the tax rates and provides the dates for the remittance of the remaining instalment payments.

The Senior Management Group has reviewed this report.

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

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