

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 4, 2013

Item 13, Report No. 23, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on June 4, 2013.

13 2013 ADOPTION OF TAX RATES AND THE ISSUANCE OF PROPERTY TAX NOTICES

The Committee of the Whole recommends approval of the recommendation contained in the following report of the Acting Commissioner of Finance & City Treasurer and the Director of Financial Services, dated May 21, 2013:

Recommendation

The Acting Commissioner of Finance & City Treasurer and the Director of Financial Services, in consultation with the Manager of Property Tax & Assessment recommends:

- 1) That a by-law be enacted for the adoption of Municipal, Regional and Education property tax rates, as submitted in Attachment 1, as well as 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 2013.

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

2013 is the first year of the 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, 2013, will utilize assessment values (CVA) based as of January 1, 2012.

The City property tax rates, as attached, are based on the levy requirement as per the approved 2013 operating budget.

The Region of York has approved By-law Nos. 2013-19 and 2013-20 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

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(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 2013.

The Province of Ontario determines education tax rates and has passed Ontario Regulation 445/12 to prescribe the tax rates for all classes for 2013.

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 \$153,555,788 levied on \$62.4 billion in assessment. The 2013 levy requirements for Municipal, Regional, and Educational purposes are shown below:

	2013
City of Vaughan	\$153,555,788
Region of York	\$279,168,654
Education-Province of Ontario	\$265,430,566
Total	\$698,155,008

Tax Ratios

The Region of York has the authority to change tax ratios to offset re-assessment tax shifts among the property classes or maintain the status quo, that is, keep the Commercial and Industrial tax ratios at the same level as the 2012 tax year. Area Treasurers were consulted and met with Regional staff in regards to the property tax ratios. It was determined that holding the tax ratios constant over the 2013-2016 taxation years was the recommended option. Regional Council approved the property tax ratios for the period 2013 to 2016 on April 18th, 2013.

The 2013 property tax ratios are as follows:

PROPERTY CLASS	2013 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 2013.

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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 has developed a plan to support a hospital in Vaughan. 2013 is the fifth and final year of the tax rate phase-in plan. Approximately \$7,088,883 will be collected on the 2013 final property tax bill. This 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. \$279,168,654 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 2013 will permit staff to proceed with the issuance of the final property tax bills.

Attachments

Attachment 1 – 2013 Property Tax Rates

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(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)