

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES MAY 27, 2014

**117. 2014 ADOPTION OF TAX RATES AND THE ISSUANCE OF PROPERTY TAX NOTICES -  
ALL WARDS**

(Item 5, Finance, Administration and Audit Committee, Report No. 7)

MOVED by Councillor Iafrate  
seconded by Regional Councillor Rosati

That the following recommendation for Item 5, Report No. 7, of the Finance, Administration, and Audit Committee meeting of May 26, 2014, be approved:

The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Commissioner of Finance & City Treasurer and the Director of Financial Services, dated May 26, 2014:

CARRIED

**Recommendation**

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

1. That a by-law be enacted for the adoption of Municipal, Regional and Education property tax rates, as submitted in Attachment 1. This by-law will allow for the levy and collection of the 2014 property tax levies and to provide for the issuance of property tax notices; and
2. That Committee's recommendation and the necessary by-law in this matter be considered at the Council meeting of May 27, 2014.

**Contribution to Sustainability**

The issuance of the property tax bill contributes to sustainability by ensuring necessary funds are levied and collected in order to meet the City's own obligation in delivering programs and services to the community. It also ensures that the City meets its financial obligations to the Region of York and, for education purposes, the Province of Ontario.

**Economic Impact**

The efficient and timely issuance of the final property tax levy is essential for 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 City Page on-line.

**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.

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**Background - Analysis and Options**

2014 is the second 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 2014 operating budget. An interim tax levy, pursuant to City of Vaughan By-law No. 011-2014, was levied in February 2014 and will be shown as a reduction on the final tax bill.

The Region of York has approved By-law No. 2014-22 which confirms the region wide tax ratios and sets the 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 2014.

The Province of Ontario determines education tax rates and has passed Ontario Regulation 2/14 to prescribe the tax rates for all classes for 2014.

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 paid through the City's 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 \$160,343,860 levied on \$67.1 billion in assessment. The 2014 levy requirements for Municipal, Regional, and Educational purposes are shown below:

	2014	
City of Vaughan	\$160,343,860	22.29%
Region of York	\$287,830,424	40.01%
Education-Province of Ontario	<u>\$271,178,297</u>	<u>37.70%</u>
Total	\$719,352,581	100.00%

**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. However, as specified in the Provincial Regulation, the Region can only move the ratios within or closer to the "Range of Fairness". Area Treasurers were consulted and it was determined that holding the tax ratios constant (status quo) 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 18<sup>th</sup>, 2013.

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The 2014 property tax ratios are as follows:

PROPERTY CLASS	2014 TAX RATIO	Ranges of Fairness
Residential	1.0000	1.0000
Multi-Residential	1.0000	1.0 to 1.1
Commercial	1.1172	0.6 to 1.1
Industrial	1.3124	0.6 to 1.1
Pipelines	0.9190	0.6 to 0.7
Farm	0.2500	0.2500
Managed Forest	0.2500	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 2014.

**Vaughan Hospital Precinct Development Plan**

The Government of Ontario requires local communities to support the development of hospitals in their community. In 2009, Council approved a funding option towards the Vaughan Hospital Precinct Development Plan which is to be raised through a dedicated property tax rate. Approximately \$7,088,883 will be collected on the 2014 final property tax bill excluding payment-in-lieu and supplemental payments. This contribution does not form part of the City's operations and as such will be shown separately on individual property tax bills. This equates to approximately \$60 for the average home in Vaughan.

**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: Demonstrate Excellence in Service Delivery
- Organizational Excellence: Ensure Financial Sustainability

**Regional Implications**

The City of Vaughan will be collecting approx. \$287,830,424 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 2014 will permit staff to proceed with the issuance of the final property tax bills. In order to expedite approval of the by-law, necessary for June billing and July installment requirements, it is recommended that Committee's recommendation and the necessary by-law in this matter be considered at the Council meeting of May 27, 2014.

**Attachments**

1. 2014 Property Tax Rates

**Report Prepared By:**

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Manager, Property Tax & Assessment  
Ext: 8268

(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.)

**COUNCIL, MAY 27, 2014**

Consideration and adoption of recommendation from the  
Finance, Administration and Audit Committee meeting of  
May 26, 2014  
Report No. 7, Item 5

**2014 ADOPTION OF TAX RATES AND THE ISSUANCE OF PROPERTY TAX NOTICES -  
ALL WARDS**

(Item 5, Finance, Administration and Audit Committee, Report No.7)  
(By-Law Number 071-2014)

The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Commissioner of Finance & City Treasurer and the Director of Financial Services, dated May 26, 2014:

**Recommendation**

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

1. That a by-law be enacted for the adoption of Municipal, Regional and Education property tax rates, as submitted in Attachment 1. This by-law will allow for the levy and collection of the 2014 property tax levies and to provide for the issuance of property tax notices; and
2. That Committee's recommendation and the necessary by-law in this matter be considered at the Council meeting of May 27, 2014.