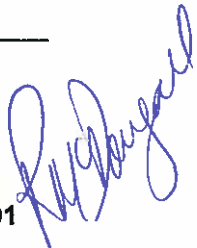




TO: GENERAL COMMITTEE

SUBJECT: 2012 TAX RATES

PREPARED BY AND KEY CONTACT: R. MCDOUGALL, REVENUE AND TAXATION SUPERVISOR, ext 4791 

SUBMITTED BY: C. MILLAR, DIRECTOR OF FINANCE (ACTING) ext 4435 

COMMISSIONER APPROVAL: E. ARCHER, CMA, GENERAL MANAGER OF CORPORATE SERVICES 

CHIEF ADMINISTRATIVE OFFICER APPROVAL: CARLA LADD, CHIEF ADMINISTRATIVE OFFICER 

RECOMMENDED MOTION

1. That the tax rates for the 2012 taxation year be established as set out in Appendix A of FIN007-12.
2. That the five year property tax phase-in plan for residential, farm and managed forest properties in the annexed lands described in Bill 196 be revised by adjusting the 2009 base amount to reflect property class changes or "gross or manifest errors" resulting from Assessment Review Board decisions.
3. That the City Clerk be authorized to prepare all necessary by-laws to establish the 2012 taxation rates as described herein.

PURPOSE & BACKGROUND

4. The purpose of this report is to establish the 2012 tax rates based on the budgetary requirements approved in the 2012 Business Plan.
5. Council passed the following motions which are required in order to calculate the 2012 City Tax Rates:
 - a) On January 23, 2012, motion 12-G-010 was approved by Council which established the 2012 Business Plan and a total tax levy requirement of \$174,539,143.
 - b) On April 23, 2012, motion 12-G-102 was approved by Council which established the 2012 tax ratios and tax policies

ANALYSIS

6. The 2012 tax rates are presented in Appendix A. The tax rates are calculated by determining the amount each property class needs to raise based on established tax ratio in order to generate the levy requirement of \$174,539,143.
7. It is anticipated that the final 2012 property tax bills will be issued in May. The instalment due dates proposed for 2012 are June 28 and September 28. Proposed installment dates for taxpayers participating in the City's pre-authorized monthly payment plan are June 29, July 31, August 31, September 28 and October 31, 2012. As in previous years, the final tax rate by-law

- will establish penalties and interest rates at 1.25% per month in accordance with the Municipal Act, 2001.
8. In addition to collecting Municipal taxes the City is also required to collect education taxes on behalf of the Province. The Province establishes the education rates each year by regulation (O. Reg. 114/11). The 2012 education rates have been adjusted to maintain revenue neutrality based on year three of the Assessment Phase-In Program across the Province. As such, property owners should not see an increase in the education part of their property tax bills. As part of the 2007 Budget, the Province announced an initiative to set annual ceiling rates for the Business Education Tax (BET) Rates for commercial and industrial classes. For 2012 the annual ceiling rates have been reduced to 1.26% (1.33% in 2011) to reflect reassessment related impacts.
 9. Rates for utility transmission corridors and railway right of ways are also established by the Provincial Regulation (O. Reg. 392/98, 387/98). These rates have remained unchanged for 2012.
 10. Payment in lieu of taxes are billed and collected in accordance with Provincial Regulation (O. Reg. 382/98) based on assessed values from MPAC and the tax rates that would be used if the properties were taxable. Properties subject to payment in lieu of taxes are typically government owned properties, hospitals and colleges/universities.
 11. Council approved a property tax mitigation strategy for residential properties included in the land annexed from the Town of Innisfil on January 1, 2010. The intent of the strategy was to protect properties in the annexed lands from a material change in property taxes as a result of the difference between the Innisfil and Barrie tax rates. Since its introduction, some affected properties have been reclassified as a result of decisions by the Assessment Review Board ("ARB"). The effect of these reclassifications is to reduce the taxes payable on the properties.
 12. Therefore, staff recommend adjustments to the tax mitigation strategy to reflect changes that have occurred due to ARB decisions for tax class and gross or manifest errors. In order to be consistent with the intent of the tax mitigation strategy, the 2009 base taxes that are used to calculate the tax reduction should be adjusted accordingly.
 13. The table below indicates the impact of the proposed 2012 tax rates on various residential property types, consistent with the impacts described during deliberations of the 2012 Business Plan:

Tax Impact on Residential Property Types

Property Type	Average Assessment	Municipal Tax	Education Tax	Total 2012 Tax	Total 2011 Tax	\$ Increase	% Increase
Single Family Detached	272,000	2,946	601	3,547	3,451	96	2.8%
Single Family Detached on Wat	950,000	10,289	2099	12,388	12,047	341	2.8%
Link Home	227,300	2,462	502	2,964	2,882	82	2.8%
Residential Condominium	197,000	2,134	435	2,568	2,499	69	2.8%

Impact on single family detached has increased by \$2.00 as a result of the Multi-Residential tax ratio being reduced by 25% as per Staff Report FIN002-11.

ENVIRONMENTAL MATTERS

14. There are no environmental matters related to the recommendation.

ALTERNATIVES

15. There are no alternatives for Council to consider as tax rates are a prescribed calculation based on the tax levy, tax ratios and tax policies approved by Council for 2012.

FINANCIAL

16. There are no direct financial implications to the City associated with the recommendations regarding the tax rates. However, postponing a decision about 2012 tax rates would create a delay in issuing the 2012 final property tax bills, which could create a financial constraint on the corporation's cash flows.

LINKAGE TO COUNCIL STRATEGIC PRIORITIES

17. This is an operational matter that has no direct relationship to the City of Barrie's Strategic Priorities.

APPENDIX A - 2012 PROPOSED TAX RATES

Property Class	TCC/TCQ	Set 1 Rate	School Rate	Total Set 1	Total Municipal Levy	Total Education Levy	Total Levy (\$)
R - Residential Full	RT	1.083051%	0.221000%	1.304051%	125,790,557	25,667,947	151,458,505
C - Commercial Full	CT	1.552149%	1.210705%	2.762854%	23,796,006	18,561,331	42,357,337
C - Commercial Vacant Land	CX	1.086504%	0.847494%	1.933998%	1,060,774	827,424	1,888,199
C - Commercial Vacant Units/Excess Land	CU	1.086504%	0.847494%	1.933998%	210,031	163,828	373,859
D - Office Building	DT	1.552149%	1.210705%	2.762854%	705,544	550,338	1,255,882
D - Office Vacant Units/ Excess Land	DU	1.086504%	0.847494%	1.933998%	1,429	1,115	2,544
X - Commercial New Construction Full	XT/NT	1.552149%	1.210705%	2.762854%	2,172,507	1,694,596	3,867,103
X - Commercial New Construction Excess Land	XU/YU	1.086504%	0.847494%	1.933998%	88,532	69,057	157,588
F - Farm	FT	0.270763%	0.055250%	0.326013%	60,437	12,332	72,770
I - Industrial Full	IT	1.642261%	1.376001%	3.018262%	3,233,467	2,709,225	5,942,692
I - Industrial Vacant Lands	IX	1.067469%	0.894401%	1.961870%	1,158,827	970,947	2,129,773
I - Industrial Vacant Units and Excess Land	IU	1.067469%	0.894401%	1.961870%	65,546	54,919	120,466
J - Industrial New Construction Full	JT	1.642261%	1.260000%	2.902261%	161,206	123,683	284,890
J - Industrial New Construction Vacant Land	JX	1.067469%	0.819000%	1.886469%	38,963	29,894	68,856
J - Industrial New Construction Full - Excess Land	JU	1.067469%	0.819000%	1.886469%	782	600	1,381
L - Large Industrial Full	LT	1.642261%	1.376001%	3.018262%	362,129	303,417	665,545
L - Large Industrial Vacant/Excess	LU	1.067469%	0.894401%	1.961870%	17,391	14,572	31,963
M - Multi-Residential	MT	1.104360%	0.221000%	1.325360%	5,226,501	1,045,906	6,272,407
N - New Multi-Residential	NT	1.083051%	0.221000%	1.304051%	117,024	23,879	140,903
P - Pipelines	PT	1.195622%	1.165738%	2.361360%	324,061	315,962	640,023
S - Shopping Centres	ST	1.552149%	1.210705%	2.762854%	9,030,249	7,043,763	16,074,012
S - Shopping Centres Vac. Units	SU	1.086504%	0.847494%	1.933998%	42,880	33,447	76,328
Z - Shopping Centre New Construction	ZT	1.552149%	1.210705%	2.762854%	667,443	520,618	1,188,062
Z - Shopping Centre New Construction	ZU	1.086504%	0.847494%	1.933998%	205,306	160,142	365,448
T - Managed Forest	TT	0.270763%	0.055250%	0.326013%	1,551	317	1,868
R - Residential School Only	RD	0.000000%	0.221000%	0.221000%	0	22,964	22,964
TOTAL					174,539,143	60,922,222	235,461,366