


TO: GENERAL COMMITTEE


SUBJECT: 2016 TAX RATES

WARD: ALL

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

SUBMITTED BY: C. MILLAR, DIRECTOR OF FINANCE AND TREASURER 

GENERAL MANAGER APPROVAL: P. ELLIOTT-SPENCER, GENERAL MANGER OF COMMUNITY AND CORPORATE SERVICES 

CHIEF ADMINISTRATIVE OFFICER APPROVAL: C. LADD, CHIEF ADMINISTRATIVE OFFICER 

RECOMMENDED MOTION

1. That the tax rates for the 2016 taxation year be established as set out in Appendix A.
2. That the City Clerk be authorized to prepare all necessary by-laws to establish the 2016 tax rates as described herein.

PURPOSE & BACKGROUND

3. The purpose of this report is to establish the 2016 tax rates based on the budgetary requirements approved in the 2016 Business Plan.
4. Council passed the following Motions which are required in order to calculate the 2016 Barrie Tax Rates:
 - a) On January 25, 2016, Motion 16-G-018 was approved by Council which established the 2016 Business Plan and a total property tax levy requirement of \$208,262,648.
 - b) On April 25, 2016, Council approved FIN003-16, the 2016 tax ratios and tax policies.

ANALYSIS

5. The 2016 tax rates are presented in Appendix A. The tax rates are calculated by determining the amount each property class needs to contribute based on established tax ratio in order to generate the property tax levy requirement of \$208,262,648.
6. It is anticipated that the final 2016 property tax bills will be issued in May. The instalment due dates proposed for 2016 are June 28 and September 28. Proposed installment dates for taxpayers participating in the City's pre-authorized monthly payment plan are June 30, July 29, August 31, September 30, and October 31, 2016. 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*.

7. 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 2016 education rates have been adjusted to maintain revenue neutrality based on the Assessment Phase-In Program across the Province. As such, property owners should not see an increase in the education portion 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 2016 the annual ceiling rate is 1.18%.
8. Rates for utility transmission corridors and railway rights-of-way are also established by Provincial Regulation (O. Reg. 392/98, 387/98). These rates have remained unchanged for 2016.
9. Payment in lieu of taxes are billed and collected in accordance with Provincial Regulation (O. Reg. 382/98) based on assessed values from the Municipal Property Assessment Corporation (MPAC) and the tax rates that would be used if the properties were taxable. Properties that are subject to payment in lieu (PIL's) of taxes are typically government owned properties, hospitals, and colleges/universities. For hospitals, PIL's are calculated based on the number of beds, and for colleges/universities the calculation is based on "heads" or number of students.
10. The table below indicates the impact of the proposed 2016 tax rates on various residential property types, consistent with the impacts described during deliberations of the 2016 Business Plan:

Property Type	Average Assessment	Municipal Tax	Education Tax	Total 2016 Tax	Total 2015 Tax	\$ Increase	% Increase
Single Family Detached	287,500	3,306	541	3,847	3,738	109	2.91%
Single Family Detached on Water	1,001,500	11,517	1,883	13,400	13,021	379	2.91%
Link Home	242,180	2,734	472	3,207	3,116	91	2.91%
Residential Condominium	209,925	2,370	409	2,780	2,701	79	2.91%

ENVIRONMENTAL MATTERS

11. There are no environmental matters related to the recommendations.

ALTERNATIVES

12. 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 2016.

FINANCIAL

13. There are no direct financial implications to the City associated with the recommendations regarding the tax rates. However, postponing a decision about the 2016 tax rates would create a delay in issuing the 2016 final property tax bills, which could create a financial constraint on the Corporation's cash flows.

LINKAGE TO 2014-2018 STRATEGIC PLAN

14. This is an operational matter that is not specifically related to the goals identified in the 2014-2018 Strategic Plan.

APPENDIX "A" - 2016 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	1.150021%	0.188000%	1.338021%	148,468,104	24,270,856	172,738,960
C - Commercial Full	CT/GT	1.648125%	1.158074%	2.806199%	26,986,473	18,962,356	45,948,829
C - Commercial Vacant Land	CX	1.153687%	0.810652%	1.964339%	1,240,934	871,957	2,112,891
C - Commercial Vacant Units/Excess Land	CU	1.153687%	0.810652%	1.964339%	536,520	376,992	913,512
D - Office Building	DT	1.648125%	1.158074%	2.806199%	796,031	559,341	1,355,372
D - Office Vacant Units/ Excess Land	DU	1.153687%	0.810652%	1.964339%	1,604	1,127	2,731
X - Commercial New Construction Full	XT/YT	1.648125%	1.158074%	2.806199%	5,199,404	3,653,421	8,852,825
X - Commercial New Construction Excess Land	XU/YU	1.153687%	0.810652%	1.964339%	171,630	120,598	292,228
F - Farm	FT	0.287505%	0.047000%	0.334505%	72,969	11,929	84,898
FAD1 - Farmland Awaiting Development Phase 1	FAD1	0.862516%	0.141000%	1.003516%	0	0	0
FAD2 - Farmland Awaiting Development Phase 2	FAD2	1.150021%	0.188000%	1.338021%	0	0	0
I - Industrial Full	IT	1.743809%	1.235094%	2.978903%	3,470,878	2,458,332	5,929,210
I - Industrial Vacant Lands	IX	1.133476%	0.802811%	1.936287%	1,088,767	771,145	1,859,912
I - Industrial Vacant Units and Excess Land	IU	1.133476%	0.802811%	1.936287%	100,846	71,427	172,273
J - Industrial New Construction Full	JT	1.743809%	1.180000%	2.923809%	453,930	307,165	761,095
J - Industrial New Construction Vacant Land	JX	1.133476%	0.767000%	1.900476%	10,224	6,918	17,142
J - Industrial New Construction Full - Excess Land	JU	1.133476%	0.767000%	1.900476%	3,752	2,539	6,291
L - Large Industrial Full	LT	1.743809%	1.235094%	2.978903%	420,485	297,818	718,303
L - Large Industrial Vacant/Excess	LU	1.133476%	0.802811%	1.936287%	31,499	22,310	53,809
M - Multi-Residential	MT	1.150021%	0.188000%	1.338021%	6,077,994	993,602	7,071,596
N - New Multi-Residential	NT	1.150021%	0.188000%	1.338021%	720,417	117,770	838,187
P - Pipelines	PT	1.269553%	1.109657%	2.379210%	447,314	390,977	838,291
S - Shopping Centres	ST	1.648125%	1.158074%	2.806199%	9,833,148	6,909,375	16,742,523
S - Shopping Centres Vac. Units	SU	1.153687%	0.810652%	1.964339%	23,677	16,637	40,314
Z - Shopping Centre New Construction	ZT	1.648125%	1.158074%	2.806199%	1,974,162	1,387,167	3,361,329
Z - Shopping Centre New Construction	ZU	1.153687%	0.810652%	1.964339%	129,406	90,930	220,336
T - Managed Forest	TT	0.287505%	0.047000%	0.334505%	2,478	405	2,883
R - Residential School Only	RD	0.000000%	0.188000%	0.188000%	0	21,782	21,782
TOTAL					208,262,648	62,694,876	270,957,524