


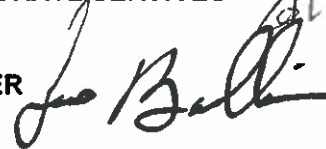

TO: GENERAL COMMITTEE

SUBJECT: 2011 TAX RATES

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

SUBMITTED BY: D. McKINNON, DIRECTOR OF FINANCE x 5130 

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

CHIEF ADMINISTRATIVE OFFICER APPROVAL: JON M. BABULIC, CHIEF ADMINISTRATIVE OFFICER 

RECOMMENDED MOTION

1. That the tax rates for the 2011 taxation year be established as set out in Appendix A of FIN013-11.
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 2011 taxation rates as described herein.

PURPOSE & BACKGROUND

4. The purpose of this report is to establish the 2011 tax rates based on the budgetary requirements approved in the 2011 Business Plan.
5. Council passed the following motions which are required in order to calculate the 2011 City Tax Rates:
 - a) On April 4, 2011, motion 11-G-072 was approved by Council which established the 2011 Business Plan and a total tax levy requirement of \$165,927,667.
 - b) On April 19, 2011, motion 11-G-112 was approved by Council which established the 2011 tax ratios and tax policies
6. In accordance with motion 11-G-093 which was approved by Council on April 19, 2011, the special area rate (Rate 2) has been discontinued. Therefore, starting in 2011 a single set of tax rates by property class will be used for all properties in the City of Barrie.

ANALYSIS

7. The 2011 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 \$165,927,667.

8. It is anticipated that the final 2011 property tax bills will be issued in May. The instalment due dates proposed for 2011 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, 2011. 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.
9. 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 2011 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 2011 the annual ceiling rates for have been reduced to 1.33% (1.43% in 2010) to reflect reassessment related impacts.
10. 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 2011.
11. Payment in lieu of taxes are billed and collected in accordance with 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.
12. 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.
13. 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.
14. The table below indicates the impact of the proposed 2011 tax rates on various residential property types, consistent with the impacts described during deliberations of the 2011 Business Plan:

Tax Impact on Residential Property Types

Property Type	Average Assessment	Municipal Tax	Education Tax	Total 2010 Tax	Total 2009 Tax	\$ Increase	% Increase
Single Family Detached	261,000	2,849	602	3,451	3,361	90	2.7%
Single Family Detached on Wal	911,000	9,943	2,104	12,047	11,733	314	2.7%
Link Home	218,000	2,379	503	2,882	2,808	75	2.7%
Residential Condominium	189,000	2,063	436	2,499	2,434	65	2.7%

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 FIN013-11.

ENVIRONMENTAL MATTERS

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

ALTERNATIVES

16. 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 2011.

FINANCIAL

17. There are no direct financial implications to the City associated with the recommendations regarding the tax rates. However, postponing a decision about 2011 tax rates would create a delay in issuing the 2011 final property tax bills, which could create a financial constraint on the corporation's cash flows.

LINKAGE TO COUNCIL STRATEGIC PRIORITIES

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

APPENDIX A

Property Class	TCC/TCQ	Set 1 Rate	School Rate	Total Set 1	Total Municipal Levy	Education Levy	Total Levy
R - Residential Full	RT	1.091417%	0.231000%	1.322417%	120,079,557	25,415,001	145,494,558
C - Commercial Full	CT	1.564138%	1.282524%	2.846662%	22,835,393	18,724,011	41,559,404
C - Commercial Vacant Land	CX	1.094897%	0.897767%	1.992664%	1,041,526	854,005	1,895,531
C - Commercial Vacant Units/Excess Land	CU	1.094897%	0.897767%	1.992664%	213,139	174,765	387,904
D - Office Building	DT	1.564138%	1.282524%	2.846662%	670,259	549,583	1,219,842
D - Office Vacant Units/ Excess Land	DU	1.094897%	0.897767%	1.992664%	1,411	1,157	2,568
X - Commercial New Construction Full	XT	1.564138%	1.282524%	2.846662%	1,838,214	1,507,255	3,345,469
X - Commercial New Construction Excess Land	XU	1.094897%	0.897767%	1.992664%	45,730	37,496	83,226
F - Farm	FT	0.272854%	0.057750%	0.330604%	56,539	11,967	68,506
I - Industrial Full	IT	1.654946%	1.442520%	3.097466%	3,192,521	2,782,734	5,975,255
I - Industrial Vacant Lands	IX	1.075715%	0.937638%	2.013353%	1,142,621	995,956	2,138,577
I - Industrial Vacant Units and Excess Land	IU	1.075715%	0.937638%	2.013353%	65,607	57,185	122,792
J - Industrial New Construction Full	JT	1.654946%	1.330000%	2.984946%	105,997	85,185	191,182
J - Industrial New Construction - Excess Land	JU	1.075715%	0.864500%	1.940215%	753	605	1,358
L - Large Industrial Full	LT	1.654946%	1.442520%	3.097466%	357,497	311,609	669,106
L - Large Industrial Vacant/Excess	LU	1.075715%	0.937638%	2.013353%	16,526	14,404	30,930
M - Multi-Residential	MT	1.134364%	0.231000%	1.365364%	5,206,915	1,060,328	6,267,243
N - New Multi-Residential	NT	1.091417%	0.231000%	1.322417%	0	0	0
P - Pipelines	PT	1.204858%	1.195515%	2.400373%	307,867	305,479	613,346
S - Shopping Centres	ST	1.564138%	1.282524%	2.846662%	8,557,744	7,016,971	15,574,715
S - Shopping Centres Vac. Units	SU	1.094897%	0.897767%	1.992664%	43,072	35,317	78,389
Z - Shopping Centre New Construction	ZT	1.564138%	1.282524%	2.846662%	147,294	120,774	268,068
T - Managed Forest	TT	0.272854%	0.057750%	0.330604%	1,485	314	1,799
R - Residential School Only	RD	0.000000%	0.231000%	0.231000%	0	23,242	23,242
TOTAL					165,927,667	60,085,343	226,013,010