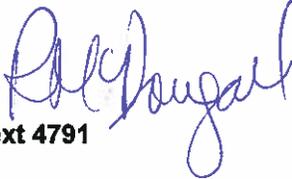


---

**TO:** GENERAL COMMITTEE

**SUBJECT:** 2013 TAX RATES

**WARD:** ALL

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

**SUBMITTED BY:** D. MCKINNON, DIRECTOR OF FINANCE 

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

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

---

**RECOMMENDED MOTION**

1. That the tax rates for the 2013 taxation year be established as set out in Appendix A of FIN008-13.
2. That in accordance with motion 11-G-123 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 2013 taxation rates as described herein.

**PURPOSE & BACKGROUND**

4. The purpose of this report is to establish the 2013 tax rates based on the budgetary requirements approved in the 2013 Business Plan.
5. Council passed the following motions which are required in order to calculate the 2013 City Tax Rates:
  - a) On January 28, 2013, motion 13-G-018 was approved by Council which established the 2013 Business Plan and a total tax levy requirement of \$183,060,829.
  - b) On April 29, 2013, motion 13-G-106 was approved by Council which established the 2013 tax ratios and tax policies

**ANALYSIS**

6. The 2013 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 \$183,060,829.
7. It is anticipated that the final 2013 property tax bills will be issued in May. The instalment due dates proposed for 2013 are June 27 and September 27. Proposed instalment dates for taxpayers participating in the City's pre-authorized monthly payment plan are June 28, July 31,

August 30, September 30 and October 31, 2013. 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 2013 education rates have been adjusted to maintain revenue neutrality based on year one 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 2013 the annual ceiling rate is being maintained at 1.26%.
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 2013.
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 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 recommends 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 2013 tax rates on various residential property types, consistent with the impacts described during deliberations of the 2013 Business Plan:

**Tax Impact on Residential Property Types**

Property Type	Average Assessment	Municipal Tax	Education Tax	Total 2013 Tax	Total 2012 Tax	\$ Increase	% Increase
Single Family Detached	277,000	3,071	587	3,658	3,547	111	3.1%
Single Family Detached on Wat	967,475	10,726	2051	12,777	12,388	389	3.1%
Link Home	231,480	2,566	491	3,057	2,964	93	3.1%
Residential Condominium	200,620	2,224	425	2,649	2,568	81	3.2%

Impact on single family detached has increased by \$1.77 as a result of the Multi-Residential tax ratio being reduced by 25% as per Staff Report FIN007-13.

### **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 2013.

**FINANCIAL**

16. There are no direct financial implications to the City associated with the recommendations regarding the tax rates. However, postponing a decision about 2013 tax rates would create a delay in issuing the 2013 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 - 2013 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	1.108629%	0.212000%	1.320629%	132,087,109	25,258,624	157,345,734
C - Commercial Full	CT/GT	1.588805%	1.201176%	2.789981%	24,604,095	18,601,306	43,205,401
C - Commercial Vacant Land	CX	1.112164%	0.840823%	1.952987%	1,179,651	891,845	2,071,496
C - Commercial Vacant Units/Excess Land	CU	1.112164%	0.840823%	1.952987%	252,312	190,754	443,067
D - Office Building	DT	1.588805%	1.201176%	2.789981%	735,992	556,428	1,292,421
D - Office Vacant Units/ Excess Land	DU	1.112164%	0.840823%	1.952987%	1,484	1,122	2,605
X - Commercial New Construction Full	XT/YT	1.588805%	1.201176%	2.789981%	2,395,758	1,811,252	4,207,010
X - Commercial New Construction Excess Land	XU/YU	1.112164%	0.840823%	1.952987%	73,667	55,694	129,360
F - Farm	FT	0.277157%	0.053000%	0.330157%	63,991	12,237	76,228
FAD1 - Farmland Awaiting Development Phase 1	FAD1	0.831472%	0.159000%	0.990472%	0	0	0
FAD2 - Farmland Awaiting Development Phase 2	FAD2	1.108629%	0.212000%	1.320629%	0	0	0
I - Industrial Full	IT	1.681045%	1.346399%	3.027444%	3,315,889	2,655,794	5,971,683
I - Industrial Vacant Lands	IX	1.092679%	0.875159%	1.967838%	1,187,977	951,486	2,139,463
I - Industrial Vacant Units and Excess Land	IU	1.092679%	0.875159%	1.967838%	66,033	52,888	118,921
J - Industrial New Construction Full	JT	1.681045%	1.260000%	2.941045%	289,101	216,691	505,792
J - Industrial New Construction Vacant Land	JX	1.092679%	0.819000%	1.911679%	16,172	12,121	28,293
J - Industrial New Construction Full - Excess Land	JU	1.092679%	0.819000%	1.911679%	798	598	1,396
L - Large Industrial Full	LT	1.681045%	1.346399%	3.027444%	380,350	304,634	684,984
L - Large Industrial Vacant/Excess	LU	1.092679%	0.875159%	1.967838%	21,041	16,853	37,894
M - Multi-Residential	MT	1.108629%	0.212000%	1.320629%	5,382,973	1,029,371	6,412,344
N - New Multi-Residential	NT	1.108629%	0.212000%	1.320629%	124,277	23,765	148,043
P - Pipelines	PT	1.223859%	1.146673%	2.370532%	394,003	369,154	763,157
S - Shopping Centres	ST	1.588805%	1.201176%	2.789981%	9,371,173	7,084,839	16,456,012
S - Shopping Centres Vac. Units	SU	1.112164%	0.840823%	1.952987%	36,581	27,656	64,238
Z- Shopping Centre New Construction	ZT	1.588805%	1.201176%	2.789981%	865,789	654,558	1,520,348
Z- Shopping Centre New Construction	ZU	1.112164%	0.840823%	1.952987%	212,857	160,925	373,782
T - Managed Forest	TT	0.277157%	0.053000%	0.330157%	1,756	336	2,092
R - Residential School Only	RD	0.000000%	0.212000%	0.212000%	0	22,662	22,662
<b>TOTAL</b>					<b>183,060,829</b>	<b>60,963,592</b>	<b>244,024,422</b>