

Property Taxation

Council Presentation

April 23, 2019



Agenda ... what's there to know

- Who's involved and what's their role
- Property Taxes ... deconstructed
 - Tax Classes
 - Tax Ratios
 - Assessment Cycle Update
 - Calculating Property Taxes
 - Billing Process
- Tax Relief Programs

Who's involved ...



What's their role



The Provincial Government passes legislation, sets property tax policies and sets education rates.



MPAC establishes current value assessments and classifications for properties in Ontario.



The Municipality determines revenue requirements, sets municipal tax rates and collects property taxes.

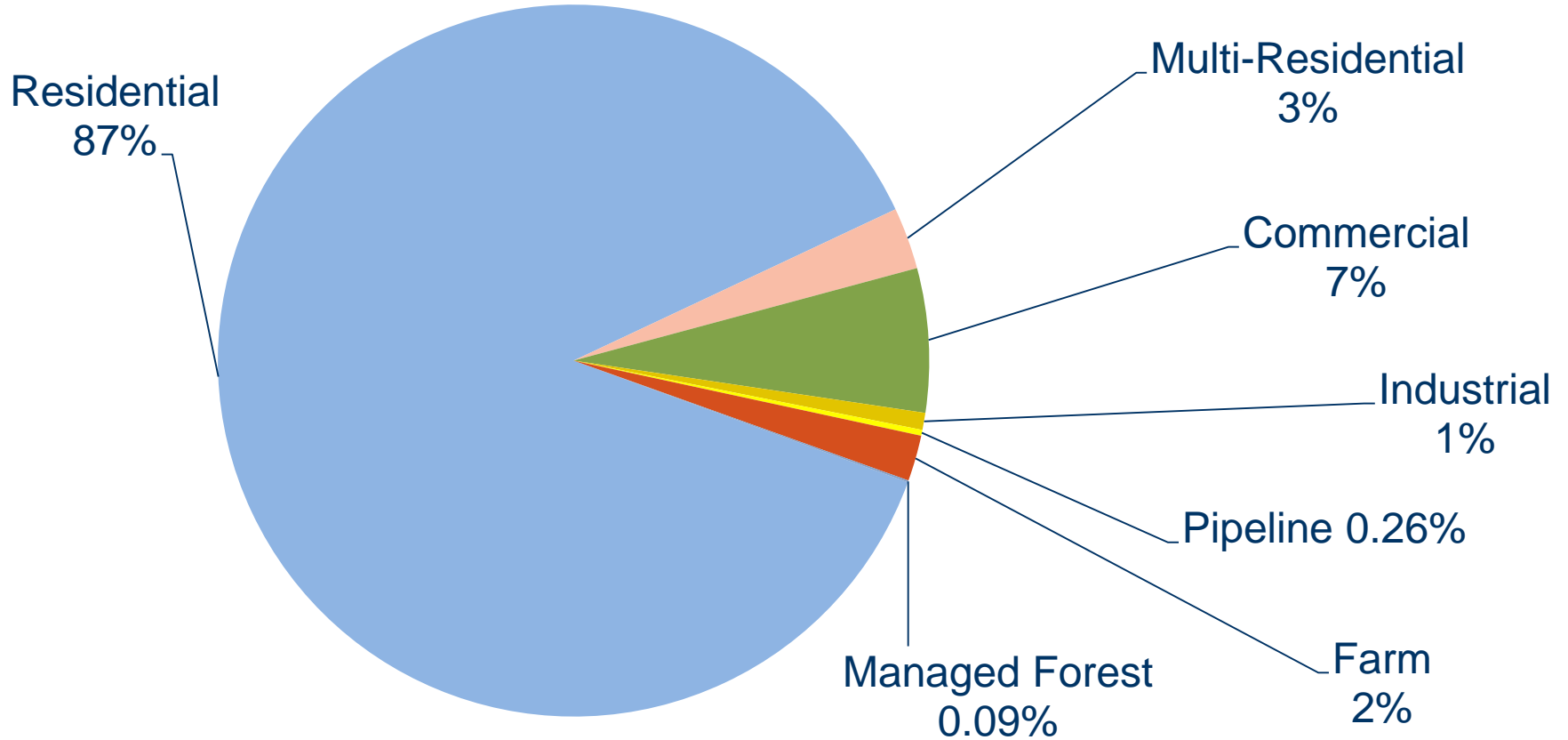


OPTA, a comprehensive online centralized budgetary planning tool and property tax accounting system for Ontario Municipalities.

Tax Classes

- All land in Ontario must be assigned to a property class or classes for property taxation purposes.
- Section 7(1) of the Assessment Act provides for **eight** major property classes:
 1. Residential
 2. Multi-Residential
 3. New Multi-Residential (new in 2017)
 4. Commercial
 5. Industrial
 6. Pipeline
 7. Farm
 8. Managed Forest

Tax Revenue by Property Class



Tax Ratios

- Concept of tax ratios was introduced by the Province in 1998 when the current property tax system was implemented.
- Tax ratios indicate the mathematical relationship between the residential class tax rate and the tax rates for other property classes.
- Determination of 'tax ratios' is a tax policy decision
 - typically reviewed in an assessment update year in order to calculate the tax rates.

Kawartha Lakes Tax Ratios

	Lower Limit	Upper Limit	Kawartha Lakes
Property Class Range			
Residential	1.00		1.00000
Multi-Residential	1.00	1.10	1.95682
New Multi-Residential	1.00	1.10	1.00000
Commercial / Office / Shopping Centre	0.60	1.10	1.37931
Industrial / Large Industrial	0.60	1.10	1.34645
Pipeline	0.60	0.70	2.00131
Farm	up to 0.25		0.25
Managed Forests	0.25		0.25

Assessment Update Cycle



Calculating Property Taxes

MPAC

- Provides Current Value Assessments (annually)

Kawartha
Lakes

- Current Value Assessment X Tax Ratio = Weighted Assessment
- Approves Tax Supported Budget
- Approved Taxation Budget ÷ Weighted Assessment = Tax Rate

Ministry of
Education

- Provides Education Rates (annually)

Kawartha
Lakes

- (Tax Rate + Education Rate) X Current Value Assessment =
Property Tax Bill

Capping and Claw back

- Program was introduced in 1997 to manage tax impacts to multi-residential, commercial and industrial classes that could not be mitigated using tax tools already available.
- Part X of the Municipal Act.
- 2017 enhancements provide municipalities with options to move properties more quickly towards “uncapped” status.
- Kawartha Lakes is now taxed at full Current Value Assessment and has exited the program (since 2018).

Billing Process - 2019

Interim

February 27th

April 29th

Final

June 27th

September 27th

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Property Tax Relief

- Low Income Seniors or Low Income Persons with Disabilities
 - Low Income Senior
 - Low Income Senior in the 55-64 Age Group
 - Low Income Disabled Person (ODSP)
- The municipality has a by-law providing for relief in respect of, all or part of a tax increase on a property in the residential property class
- Maximum rebate is \$175.00

Questions

