



Mike Mayes, Director
Financial Services/Treasurer

TOWN OF NEWMARKET
395 Mulock Drive
P.O. Box 328
Newmarket, ON L3Y 4X7
www.newmarket.ca
mmayes@newmarket.ca
905.895.5193 ext. 2102

May 15, 2015

CORPORATE SERVICES REPORT - FINANCIAL SERVICES - 2015-27

TO: Mayor Tony Van Bynen and Members of Council
Committee of the Whole

SUBJECT: Property Tax Rates & Bylaw for 2015

ORIGIN: Supervisor, Property Tax & Assessment

RECOMMENDATIONS:

THAT Corporate Services Report - Financial Services – 2015-27 dated May 15, 2015 regarding the Property Tax Rates & By-Law for 2015 be received and the following recommendations be adopted:

1. THAT the property tax rates for 2015, as applied to the assessment roll returned for taxation 2015, be set for Town purposes, as follows:

<u>Property Class</u>	<u>Tax Rate</u>
Residential	0.390979%
Multi- Residential	0.390979%
Commercial	0.436802%
Industrial	0.513121%
Pipeline	0.359310%
Farm/Managed Forest	0.097745%

2. AND THAT the applicable tax rate by-law attached as Appendix "A" be forwarded to Council for approval.

COMMENTS

Purpose

The purpose of this report is to provide for the levy and collection of property tax for 2015.

Budget Impact

The proposed property tax rates for the Town will increase the tax levy by 3.50% and raise the necessary funds to cover the 2015 tax-supported operating budget as approved by Council on April 20th, 2015.

Summary

The *Municipal Act, 2001 as amended*, under s.312, requires that Council pass a by-law levying a separate tax rate, as specified in the by-law, on the assessment in each property class in the local municipality.

Town of Newmarket Tax Rates:

The property tax rates for Town purposes are determined using the approved tax ratios applied to the 2014 Assessment Roll as Returned for 2015 Taxation, and the approved 2015 Town Tax-Supported Operating Budget.

The tax ratios for 2015 as set by Regional Council, are consistent Region-wide, and must be used by all nine area municipalities in setting their respective tax rates for 2015. The tax ratios have been approved by the Region for 2015. Tax ratios establish the weighted level of taxation born by each property class in relation to the residential class. The Region has not made any adjustments to the tax ratios from 2014 to 2015 to adjust for tax shifting. The approved ratios remain:

Property Class	2015 Tax Ratio
Residential	1.0000
Multi-Residential	1.0000
Commercial	1.1172
Industrial	1.3124
Pipeline	0.9190
Farmland	0.2500
Managed Forest	0.2500

A combination of The *Assessment Act, R.S.O. 1990, as amended*, and the Municipal Act, require that tax discounts be given to several prescribed subclasses of property within the Commercial and Industrial classes. The tax rates for vacant/excess land within the commercial and industrial classes are discounted by 30% and 35% respectively. The higher discount for industrial vacant or excess land reflects the higher tax ratio applied to industrial properties.

Schedule "A" attached to the by-law lists the proposed tax rates required to raise the approved 2015 Town tax levy requirement of \$53.1 million. This results in an average municipal (Town) increase to a homeowner assessed at \$424,122 of 3.91% or \$62.36. The additional 0.41% is the result of tax shifting from the non-residential classes to the residential tax class. As previously mentioned, the Region has opted not to adjust the tax ratios to compensate for this shift.

Region and Education Tax Rates:

The Region of York has set the property tax rates they require to fund their budgets as well. The Region will be raising \$55.2 million in Newmarket. This represents 5.90% of the total Regional levy as compared to 5.99% in 2014. This results in an average increase to a homeowner in Newmarket of 2.42% or \$40.75.

The Region's tax levy increase for 2015 is 2.97%, however, the impact in Newmarket is only 2.42% because our rates of growth are lower than other municipalities in York Region. Newmarket's share of the Regional levy dropped from 5.99% last year to 5.90% for 2015. For the average resident, this is a savings of 0.55% or \$9.26 as a result of tax shifting across the Region. Tax shifting is a change in the distribution of tax burden among all the municipalities within the Region.

The Ministry of Finance has provided the Education Property Tax Rates for 2015. The Residential tax rate has been reset to offset phased-in assessment increases and the uniform rate for 2015 is 0.195%, reduced from 0.203% in 2014. The average home assessment of \$424,122 will see an increase of \$7.23 or 0.88%. This results from the average assessment increase in Newmarket being higher than the overall Provincial average. Education tax rates for commercial and industrial properties are 5.2 and 6.1 times higher than the residential rate. The four school boards supported by Newmarket residents (English Public and Separate and French Public and Separate) will raise \$43.3 million in 2015.

Summary – 2015 Tax Rates:

The total final Residential Tax Rate for 2015 will be 0.992400%. An average residential property taxpayer, currently assessed at \$424,122 will pay \$4,208.99 for 2015. For comparison, the estimated assessment for this property in 2014 (assuming a 5.02% phase-in) would have been \$403,848 with a levy of \$4,098.65. Please see the chart below:

	2014	2015	\$ CHANGE	% CHANGE
Town Portion	\$1,595.87	\$1,658.23	\$62.36	3.91%
Region Portion	1,682.97	1,723.72	40.75	2.42%
Municipal Sub total	\$3,278.84	\$3,381.95	\$103.11	3.14%
School Board Portion	819.81	827.04	7.23	0.88%
TOTAL	\$4,098.65	\$4,208.99	\$110.34	2.69%

Within the Town's portion, there is a 3.50% increase (2.50% general levy increase and an additional 1% infrastructure levy). However, the rate of net growth (assessment loss from appeals plus supplementary and omitted assessments) in the commercial/industrial classes relative to residential was lower than expected and resulted in inter-class shifting. For the average resident, this is an additional 0.41% or \$6.39.

The sharing of the total property tax levy, for the three main classes will be;

CLASS	RESIDENTIAL	COMMERCIAL	INDUSTRIAL
Town of Newmarket	39.40%	23.06%	23.13%
Region of York	40.95%	23.71%	23.79%
Education	19.65%	53.23%	53.08%

There will be a total levy in excess of \$151 million that will be managed by the Town of Newmarket in terms of billing, collection and adjustments.

Other Levy's Included in Final Billing

In addition to the above levies, there will also be payments-in-lieu (PIL's) calculated and levied using the same tax rates, for the applicable class as outlined for taxable properties.

Railway rights-of-way and electrical corridors will be taxed based on the acreage shown on the assessment roll multiplied by the rate per acre as established by Regulation.

Properties identified within the Business Improvement Area (BIA) shall be levied a total of \$30,000, apportioned according to their commercial assessment, the funds to be provided to the Treasurer of the BIA.

Property Tax Due Dates

As noted in the attached by-law, the due dates for final three installments for the residential levy, in 2015 will be:

Tuesday, July 28th
Tuesday, August 25th
Thursday, September 24th

The due dates for the non-residential levy, as well as any supplementary billings will be established as they are processed.

Property Tax Assistance and Payment Program(s)

New in 2015, in order to assist Newmarket residents with budgeting for their property tax obligations, we have altered our Pre-Authorized Payment Plan to allow enrollment at any time. The account must be up to date at the time of enrollment and payments can only be made on the last business day of the month. The payment is calculated based on the number of months remaining to the end of October. For future years it will remain as 10 relatively equal payments (January through October).

Our Tax Assistance to the Elderly program, as previously authorized by Council in 2005, will continue this year with the amount being increased to \$284.00 from the 2014 level of \$274.00. This increase of approximately 3.5% is in line with the overall tax increase. Application forms are on the Town's website and will be accepted up to December 1, 2015.

All York Region Residents also have the opportunity to defer the property tax increase under the Region-wide Property Tax Deferral Program for Seniors (65+), Low-Income Seniors (55+) or Low-Income Disabled Persons (any age). Tax increases on the principal residence are deferred, penalty and interest free, and are only required to be repaid when the property is sold or transferred to a non-spouse. Full information on the assistance programs, as well as other Rebate programs for commercial and industrial properties, is available on the Town's website.

Additionally, there will be an insert with the final billing that will highlight the assistance programs. As we did with our interim billing, to ensure a broad distribution of this valuable information, we will ensure all residents on a pre-authorized or mortgage company payment plan receives the flyer as well. In order to facilitate this communication in a more efficient and cost effective manner, we are investigating the possibility of combining the pre-authorized payment amount adjustment notification, with the final billing and flyer mailing, as opposed to a separate letter as has been done in the past.

BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

This report links to Newmarket's key strategic directions in being Well Managed through fiscal responsibility.

CONSULTATION


Region of York, 2015 Property Tax Rates Report and By-law, April 23, 2015
Ministry of Finance letter dated March 16, 2015 for Education Tax Rates
Municipal Property Assessment Corporation, Assessment Roll
Online Property Tax Analysis (OPTA) for statistics

BUDGET IMPACT

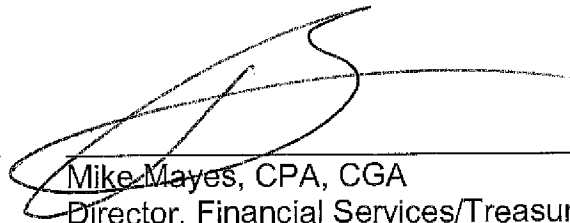
The property tax rates as per Schedule "A" in the accompanying by-law will raise the necessary tax dollars to fund the 2015 tax-supported operating budget approved by Council on April 20th, 2015.

CONTACT

For more information on this report, contact: Mike Mayes at 905-953-5300, ext. 2102 or via e-mail at mmayes@newmarket.ca



Grace Marsh, CMMIII, CMTF
Supervisor, Property Tax & Assessment



Mike Mayes, CPA, CGA
Director, Financial Services/Treasurer



Anita Moore, AMCT
Commissioner, Corporate Services

GM/nh

Attachment:

- Appendix A (By-Law Number 2015 – xx) – 4 pages



CORPORATION OF THE TOWN OF NEWMARKET

BY-LAW NUMBER 2015-

APPENDIX "A"

A BY-LAW TO PROVIDE FOR THE LEVY AND COLLECTION OF THE SUMS REQUIRED BY THE CORPORATION OF THE TOWN OF NEWMARKET FOR 2015 AND TO PROVIDE FOR THE MAILING OF NOTICES REQUISITIONING THE PAYMENT OF TAXES FOR 2015.

WHEREAS Section 312 (2) of the *Municipal Act, 2001, as amended*, provides that the Council of a local municipality shall, after the adoption of estimates for the year, pass a by-law to levy a separate tax rate on the assessment in each property class;

AND WHEREAS Sections 307 and 308 of the said *Act* require tax rates to be established in the same proportion to tax ratios;

AND WHEREAS estimates have been prepared showing the sum of \$151,559,539 is required to be raised for the lawful purposes of the Corporation of the Town of Newmarket for the year 2015, which estimates are made up as follows:

1.	Town of Newmarket General Purposes	\$ 53,072,903
2.	Regional Municipality of York Purposes	\$ 55,169,058
3.	Ontario Education Purposes	<u>\$ 43,317,578</u>
		<u>\$151,559,539</u>

AND WHEREAS any special levy in the Town of Newmarket is based upon the Current Value Assessment as returned on the last revised Assessment Roll as determined by the Municipal Property Assessment Corporation in accordance with the *Assessment Act, R.S.O. 1990, as amended*, and summarized on Schedule "A" attached to this by-law;

THEREFORE BE IT ENACTED by the Municipal Council of the Corporation of the Town of Newmarket as follows:

1. THAT the following property tax class ratios are to be applied in determining tax rates for taxation in 2015:

Residential/Farm Property Class	1.0000
Multi-Residential Property Class	1.0000
Commercial Property Class	1.1172
Industrial Property Class	1.3124
Pipelines Property Class	0.9190
Farmlands Property Class	0.2500
Managed Forest Property Class	0.2500

2. AND THAT for the year 2015, the Corporation of the Town of Newmarket shall levy upon the Residential Assessment, Multi-Residential Assessment, Commercial Assessment, Industrial Assessment, Pipeline Assessment, Farm Assessment and Managed Forest Assessment the rates of taxation set out in this by-law. The

optional property classes allowable which were not adopted by the Region of York have been included within Schedule "A" for clarity, shown with the tax rates established for the default Commercial and Industrial Assessment classes for the respective optional classes. This presentation was selected to coincide with the property tax class codes and qualifiers used by the Municipal Property Assessment Corporation in its communication with property owners concerning their property assessments;

3. AND THAT the sum of \$53,072,903 be levied and collected for the Town of Newmarket's General Purposes as provided by the Corporation's 2015 Operating Budget, such sum to be provided by applying the tax rates as summarized in Schedule "A" attached, to the taxable assessments;
4. AND THAT the sum of \$55,169,058 be levied and collected for the Town of Newmarket's share of the 2015 Budget for The Regional Municipality of York, such sum to be provided by applying the tax rates as summarized in Schedule "A" attached, to the taxable assessments;
5. AND THAT the sum of \$43,317,578 be levied and collected for the Town of Newmarket's share of the 2015 Ontario Education levy, such sum to be provided by applying to the taxable assessments the tax rates summarized in Schedule "A" which are the rates prescribed for use by Ontario Regulation 400/98 as amended by O.Reg. 75/15;
6. AND THAT for properties so assessed, payments in lieu of taxes shall be calculated using the tax rates in Schedule, "A" which would be applicable to the property if it were subject to tax;
7. AND THAT for the railway rights-of-way assessments and for the Utility Transmission and Distribution Corridor, assessments shall have their taxes due to the Corporation of the Town of Newmarket calculated in accordance with the Regulations as established by the Minister of Finance and the returned assessment roll;
8. AND THAT for the purpose of the business improvement area projects, the sum of \$30,000 shall be levied and collected from the property owners within the business improvement area.
9. AND THAT the Treasurer shall add to the Collector's Roll, all or any arrears for cutting weeds or any charges to fence viewers awards or water arrears or any other charges which should be collected pursuant to any statute or by-law to the respective properties chargeable thereto and that the same shall be collected by the Treasurer in the same manner and at the same time as all other rates or levies;
10. AND THAT the Interim Tax Levy pursuant to By-law Number 2015-03 shall be shown as a reduction on the final tax levy;
11. AND THAT all taxes levied under the authority of this by-law shall become due and payable in three installments; the first installment due July 28, 2015, the second installment due August 25, 2015 and the third installment due September 24, 2015, and all installments shall be payable to the office of the Treasurer of the Town of Newmarket;

These due dates are subject to amendment by the Treasurer, if required, to meet the statutory timing required following the tax demand date;

12. AND THAT the Treasurer for the Corporation of the Town of Newmarket may mail or cause to be mailed, the notice specifying the amount of taxes payable by any person liable for taxes, addressed to that person's place of residence as indicated on the Collector's Roll;
13. AND THAT taxes are payable at the Municipal Offices, 395 Mulock Drive, Newmarket, and at such other places as may be designated by the Town from time to time;
14. AND THAT residents who qualify for the Low Income Seniors and Low Income Disabled Tax Deferral Program need to apply to the Tax Office in accordance with the program policies as established by the Regional Municipality of York. The amount of deferral for 2015 will be determined once the application has been approved;
15. AND THAT if any section or portion of this by-law or of Schedule "A" is found by a court of competent jurisdiction to be invalid, it is the intent of Council for the Corporation of the Town of Newmarket that all remaining sections and portions of this by-law continue in force and effect;
16. AND THAT Schedule "A" attached hereto shall be and form a part of this by-law.

ENACTED THIS DAY OF

Tony Van Bynen, Mayor

Andrew Brouwer, Town Clerk

SCHEDULE "A"

Corporation of the Town of Newmarket

2015 Schedule of Tax Rates for Taxable Property

Property Assessment Class	Code/Qual.	Town Rate	Region Rate	School Rate	Total Rate
Residential Taxable: Full	RT	0.390979%	0.406421%	0.195000%	0.992400%
Residential Taxable: Full Shared PIL	RH	0.390979%	0.406421%	0.195000%	0.992400%
Multi-Residential Taxable: Full	MT	0.390979%	0.406421%	0.195000%	0.992400%
Commercial Taxable: Full	CT	0.436802%	0.454054%	1.019142%	1.909998%
Commercial Taxable: Excess Land	CU	0.305761%	0.317837%	0.713399%	1.336997%
Commercial Taxable: Full Shared PIL	CH	0.436802%	0.454054%	1.019142%	1.909998%
Commercial Taxable: Excess Land, Shared PIL	CK	0.305761%	0.317837%	0.713399%	1.336997%
Parking Lot Taxable: Full	GT	0.436802%	0.454054%	1.019142%	1.909998%
Commercial Taxable: Vacant Land	CX	0.305761%	0.317837%	0.713399%	1.336997%
Office Building Taxable: Full	DT	0.436802%	0.454054%	1.019142%	1.909998%
Shopping Centre Taxable: Full	ST	0.436802%	0.454054%	1.019142%	1.909998%
Shopping Centre Taxable: Excess Land	SU	0.305761%	0.317837%	0.713399%	1.336997%
Commercial (New Construction) Taxable: Full	XT	0.436802%	0.454054%	1.019142%	1.909998%
Commercial (New Construction) Taxable: Excess Land	XU	0.305761%	0.317837%	0.713399%	1.336997%
Office Building (New Construction) Taxable: Full	YT	0.436802%	0.454054%	1.019142%	1.909998%
Office Building (New Construction) Taxable: Excess Land	YU	0.305761%	0.317837%	0.713399%	1.336997%
Shopping Centre (New Construction) Taxable: Full	ZT	0.436802%	0.454054%	1.019142%	1.909998%
Industrial Taxable: Full	IT	0.513121%	0.533387%	1.190000%	2.236508%
Industrial Taxable: Excess Land	IH	0.513121%	0.533387%	1.190000%	2.236508%
Industrial Taxable: Excess Land, Shared PIL	IK	0.333529%	0.346701%	0.773500%	1.453730%
Industrial Taxable: Excess Land	IU	0.333529%	0.346701%	0.773500%	1.453730%
Industrial Taxable: Vacant Land	IX	0.333529%	0.346701%	0.773500%	1.453730%
Large Industrial Taxable: Full	LT	0.513121%	0.533387%	1.190000%	2.236508%
Large Industrial Taxable: Excess Land	LU	0.333529%	0.346701%	0.773500%	1.453730%
Industrial (New Construction) Taxable: Full	JT	0.513121%	0.533387%	1.190000%	2.236508%
Pipeline Taxable: Full	PT	0.359310%	0.373501%	1.458488%	2.191299%
Farm Taxable: Full	FT	0.097745%	0.101605%	0.048750%	0.248100%