

GLOSSARY OF TERMS

Municipal Taxation

Amalgamation Formula . Original area rating formula used to allocate the tax levy prior to 2012

Area Rating . The method used for allocation of the tax levy between Ward 1 and Ward 2 since amalgamation

Base Assessment . The value assigned to the property based on Municipal Property Assessment Corporation's valuation process (see Weighted Assessment)

Base + Ward Specific Formula . The method used since 2012 to allocate the tax levy to Wards. Common services (Corporate Services, HR, Finance) were allocated based on weighted assessment). Services deemed to be Ward-specific were allocated directly to the Ward where the service is offered (transit, Police, etc.). The allocated common services plus the ward specific services would be the total tax levied for that Ward.

Common Services . Municipal services that are available to all the ratepayers within the Municipality of Port Hope.

County Levy . The amount of levy required to fund the services offered by Northumberland County. A single tax rate is calculated based on weighted assessment and applied to all properties across Northumberland County.

Current Value Assessment (CVA) . The estimated market value, or the amount that the property would sell for in an open market, arm's length sale between a willing seller and a willing buyer at a fixed point in time. The value and valuation date are determined by the Municipal Property Assessment Corporation (MPAC). All properties are assessed based on the same valuation date. Increases in assessment values are phased in over a 4 year period while decreases are applied 100% in the first year of the re-assessment year.

Education Levy . The amount of levy required to fund the Education system as determined by the Provincial government. A single rate is calculated and applied across the Province of Ontario.

Municipal Levy . The amount of levy required to fund the services offered by the Municipality of Port Hope, based on the net expense (expenses less funding/user fees) determined at budget time.

PIL . Payment in Lieu of taxes for properties owned by federal / provincial bodies. PILs are based either on the assessment of the property or the acreage. If assessment-based, the Municipality is reimbursed based upon tax rates established for the current year. If based on acreage, the amount paid is based on a legislated amount per acre.

Property Class . The categorization of a property or a portion of a property according to its use (see Tax Ratio). There are seven major classes of property (residential, multi-residential, commercial, industrial, pipe line, farm, managed forests) and six specialty classes (new multi-residential, office building, shopping centre, parking lots and vacant land property, large industrial and professional sports facilities).

Tax Levy . The levy on property that the owner is required to pay. The tax is levied by the governing authority of the jurisdiction in which the property is located.

Tax Rate (Formerly mill rate) . Rate applied (based on class) to each property to calculate the property tax associated with the property, calculated by dividing the total levy required by the Municipality by the total weighted assessment, multiplied by Tax Ratio for each property type.

Tax Ratios (Weighting Factors) . Ratios used adjust the base assessment to the weighted assessment. In accordance with the Municipal Act, ratios are determined annually at the County level.

Residential Ratio	1.000
Farm/Managed Forest/Pipeline Ratio	0.250
Commercial/Shopping Centre	1.5152
Industrial	2.630
Multi-Res	2.216

Special Services . Municipal services with a distinct service or level of service provided to the ratepayer that is different from others within the Municipality and/or not available to others within the Municipality (also known as area specific)

Weighted Assessment . Value obtained when multiplying the CVA (base assessment) by the appropriate tax ratio for the property class.