



OPEN HOUSE

October 21, 2013

Community input vital to taxation review process

With Municipal Taxation under review, community input is a key component and Council is urging all Port Hope ratepayers to participate in the public review process. Taxation review will ultimately affect all ratepayers in the Municipality and it is important that the community participates in the public process.

No decisions have been made at this time. Six implementation options for a revised tax model were developed as a launching point for dialogue and we look to community input and suggestions to assist in moving forward with a long term approach for 2014 and beyond. The discussion is not about raising new Municipal taxes, it is about potentially re-apportioning Municipal taxes within the Municipality.

Port Hope's Municipal taxation model is being reviewed to potentially revise the approach put in place at amalgamation in 2001. Generally, the formula calculated separate tax rates for Ward 1 and Ward 2 using weighted assessment and pre-amalgamation operating expenses (Ward 1 at 85.8% and Ward 2 at 14.2%) for the Town of Port Hope and the Township of Hope to establish the ratio. The amalgamation formula did not reflect that all residents of the new Municipality had equal access to and share the costs of facilities and services provided by the Municipality nor did it allow flexibility for changes to services, costs and legislation over time. The amalgamation formula was approved by the new Council to move forward with taxation and cover transactions during the transition period on the understanding that it was to be reviewed within 5 years.

The Area Rating Citizens Working Group was established by Council in May 2012. The Working Group met a total of 22 times between June 2012 and July 2013 with the mandate to review all relevant background information, identify and review options for a revised approach to Municipal taxation, develop pertinent support information for the consultation process, and assist in framing final recommendations relevant to a taxation approach for the long term (2013 and beyond). The Working Group did not support a one-rate approach whereby all ratepayers would pay the same tax rate; members preferred a Common Plus Special Services approach. The group was advised on May 27, 2013 of Council's direction to provide recommendations to Council no later than July 2013. This timeline was necessary for Council to determine next steps including a public process and potential options for consideration prior to setting the 2014 tax rate. As of July 22, 2013, Working Group members had not reached consensus on recommendations to Council.

Drawing from the Working Group's dialogue and other relevant information, six options have been developed for a Common Plus Special Services approach. In accordance with the Municipal Act, all Municipal services are deemed common to all ratepayers and a common tax rate would be applied to all properties, based on weighted assessment. Where a service is not being provided throughout the Municipality, or is being provided at different levels or in a

different manner in different parts of the Municipality, it can be considered a special service and a separate, additional rate is applied to each area for those special services. Proximity to or frequency of use of any service is not a consideration of whether it is considered a common service, the determination is made solely on the basis of whether or not a service or facility is accessible and available to a group of taxpayers.

Property tax is comprised of three components: Municipal, education and County taxes. While property tax is collected by the Municipality, a portion of that amount is forwarded to the Province of Ontario for education and the County of Northumberland for the services they provide. Education and County rates are the same in Ward 1 and Ward 2.

Using 2013 as the base year, and residential property as an example, the Common Plus Special Services approach once fully implemented, would result in a 7% decrease (\$66 per \$100,000 in weighted assessment) on the Municipal portion of Ward 1 tax bills. Ward 2 properties would see a 46.9% increase (\$207 per \$100,000 in weighted assessment) on the Municipal portion of the property tax bill.

Detailed information on Municipal taxation review is available at www.porthope.ca under Quick Links and at all Municipal facilities. Information presented at the Open House will be posted at those locations on October 22, 2013. All comments received by November 15, 2013 will be considered in the development of a report to Committee of the Whole on November 26, 2013 outlining recommendations for a Municipal taxation approach for 2014 and beyond.

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