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Aurora pushes for ?revenue neutral? option in property tax review

By Brock Weir

Aurora is pushing for the Region of York to take a ?revenue neutral? approach when it comes to reviewing property tax ratios this week.

York Region's Committee of the Whole is set to meet this Thursday, April 13, to review its tax ratio system, which looks at the tax burden from one property class (residential vs commercial and industrial) to another, and from one level of municipality to another. Expected to ratify their decision this week, Council echoed sentiments expressed last month at making sure any tax shifts had minimal impact on residential taxpayers, following the lead of a resolution put forward by the Town of Whitchurch-Stouffville.

?Tax ratios represent the amount of taxation to be borne by each dollar of assessed value in each property class in relation to the residential property class,? said Dan Elliott, Treasurer for the Town of Aurora, in his report to Council recommending the revenue neutral option. ?York Region has tax ratio setting authority. Review of tax ratios is required each four years at reassessment and the assessment values in each property class change at different rates, depending on the local real estate economy.?

The status quo option would see existing tax ratios to new assessments result in a significant tax burden onto residential property owners while a revenue neutral option seeks to adjust the ratios to minimise the impact on homeowners.

?In most recent years, the Region has been applying revenue neutrality to retain tax burdens within property class,? said Mr. Elliott. ?It has become an issue this year, as initially it appeared that the Regional staff were to be recommending using a status quo approach and allowing significant tax burden to be shifted off of the non-residential property classes and onto the residential property class.?

It is important to consider fairness, equity, and economic competitiveness.

?Municipalities have spent many months reviewing and approving their annual budgets for 2017, each with an eye on the impact such budgets would have on the tax bill of the residents. All of this has been completed on the premise of revenue neutral tax ratios being used to minimize the tax burden shifting of the reassessment of the properties. Regional staff have been concerned with the impact of increasing tax ratios on the non-residential classes to minimize the shifting onto the residential class, at the expense of having adverse effects on the economic competitiveness and attractiveness of the Region as a place to do business.

?Many of the Area Treasurers and CAOs do not feel that this impact is significant, and are more particularly concerned with the adverse impacts the shift onto the Residential class will have on the overall tax satisfaction level of the voters.?

As Mayor Geoff Dawe is Aurora's representative at the Regional Council table, Aurora Councillors voiced their support of revenue-neutral in Newmarket, pressing the Mayor to fight for it on behalf of local residents.

?On a $700,000 home we're talking about a roughly $88 swing depending on one way or the other,? said Councillor Paul Pirri. ?I appreciate the recommendation we have in front of us and I think it serves our residents better. Mr. Mayor, make sure you push really hard at the Region.?

Noting that the recommendation is coming forward on Thursday, Mayor Dawe said ?we will do our best.?