

Councils question impact Regional 'tax shift' might have on homeowners

By Brock Weir

Municipal CAOs and treasurers are expected to meet this week to understand the full implications of a possible 'tax shift' at the Regional level and what its impact might mean to home- and business-owners.

On April 9, the Region of York is expected to meet to discuss a possible re-jigging of the tax burden ratios currently in place between residential and business/commercial taxpayers following reassessment from the Municipal Property Assessment Corporation (MPAC).

Aurora Council touched upon the issue this month, responding to a recommendation from the Town of Georgina, which took a firm stand calling on the Region to maintain the tax ratios as they are.

'Staff are of the opinion that [no change] promotes good and sound tax policy, consistent with the framework of the current market value assessment system of property taxation,' said Georgina in its resolution. 'Further, the impacts of the recent reassessment contribute to a shift in property taxes to the business property classes in favour of the residential classes. Although a property by property analysis is not available, the affect to an individual property owner's total tax levy will be negligible.'

Nevertheless, Aurora Council moved to quell any concerns that might arise from the discussions.

Although some members said they supported Georgina's resolution, they asked for a further report on local impacts before the April 9 meeting in Newmarket.

'This item came up at the Regional CAOs meeting last week and there has been a special meeting convened of the treasurers and CAOs to delve further into this before it goes to Regional Council so the implications for all the municipalities within the Region is well understood before it hits the table,' said Aurora CAO Doug Nadorozny. 'We want to get together because the way the Region is proposing to adjust the burden between the residential and commercial class, it obviously does have effects for the individual municipalities depending on what their ratios are as they exist now.'

'It is too early to say what the actual impact is. As proposed by the Region, it isn't really an adjustment to the property tax.'

Basically, the residential class would pick up an extra bit of burden the way it is proposed by the Region. In theory, the whole municipal residential class would be picking up the burden, but how that burden is shared depends on your valuation within where you fit in the Region. If your property tax increases were the same, then you have an offsetting effect or an enlarged effect. It is a very complex issue [and that is why I] wanted to get all the treasurers in the room to look at the whole landscape.'

Responding to a comment from Councillor Tom Mrakas noting Toronto's commercial ratio is higher than residential, resulting in a lower tax rate, Aurora treasurer Dan Elliott said the city indeed has a different blend with commercial properties carrying a heavier freight.

'That is one of the reasons why their residential rates seem to be so much more affordable than ours,' said Mr. Elliott. 'The Province is trying to force them, through policy, to bring that down closer to the Range of Fairness, that the ratio should be somewhere between .6 and 1.1 [per cent]. That is the range established by the Province.'

'We are probably closest [to that range] universally across York Region and have been right from the outset. In many ways we are significantly ahead of the others.'

Nevertheless, Council asked for assurances and updates as to the impact this could have locally pending the April 9 meeting.

'A lot of people's ears go up when they hear 'tax' and 'increased assessment' because they think there is something looming, but there really isn't anything at this stage,' said Councillor John Abel. 'This is a proactive approach to what we see on the horizon. Our CAOs are getting together to look after all our best interests and make sure something fair and reasonable is going to come down the line and not catch us by surprise.'

Added Mr. Nadorozny: 'I don't want to speak prematurely of what the Region's intentions are, but suffice it to say they are wrestling with the balance of the residential and commercial class and, if there is an adjustment, which way it should go.'