

Appendix A: Property Taxation

Introduction

Property Tax Policy is the final stage of the annual budget process and is required before final tax bills can be generated.

In 2014, the City of Greater Sudbury levied approximately \$280 million in property taxation, with \$230 million to fund the Municipal Tax Levy and \$50 million levied on behalf of the four school boards.

The calculation of property taxes is based on the returned assessment roll provided by the Municipal Property Assessment Corporation (MPAC) under the authority of the Provincial Assessment Act and the Municipal Act, 2001. MPAC is responsible for the assignment of current value assessment and classification for all individual properties in Ontario. Municipalities use MPAC information along with budget requirements to calculate the annual property tax rates applicable to the individual property tax classifications.

MPAC Property Reassessment

In 2013, MPAC conducted the provincially mandated reassessment to update the assessment valuation date from January 1, 2008 to January 1, 2012. Assessment increases were to be phased in uniformly over the subsequent four-year taxation cycle, while assessment decreases were fully implemented in the first year per Provincial Legislation.

The 2012 CVA is currently being phased in over four taxation years (2013 to 2016) and all reassessment decrease were fully implemented in the first phase in year (2013).

2015 taxation year, is the third phase-in year of the 2012 CVA. In 2016, the final year of phase-in, all properties will have reached their destination values (2012 CVA).

For example:

	Typical Residential Bungalow (1,200 sq feet)	Typical Senior Executive Home (3,000 sq feet)
2012 Taxation Year (2008 CVA)	186,000	396,000
2013 Taxation year (1 st year of Phase In)	197,000	419,500
2014 Taxation year (2 nd year of Phase In)	208,000	443,000
2015 Taxation year (3 rd year of Phase In)	219,000	466,500
2016 Taxation Year (Destination 2012 CVA)	230,000	490,000

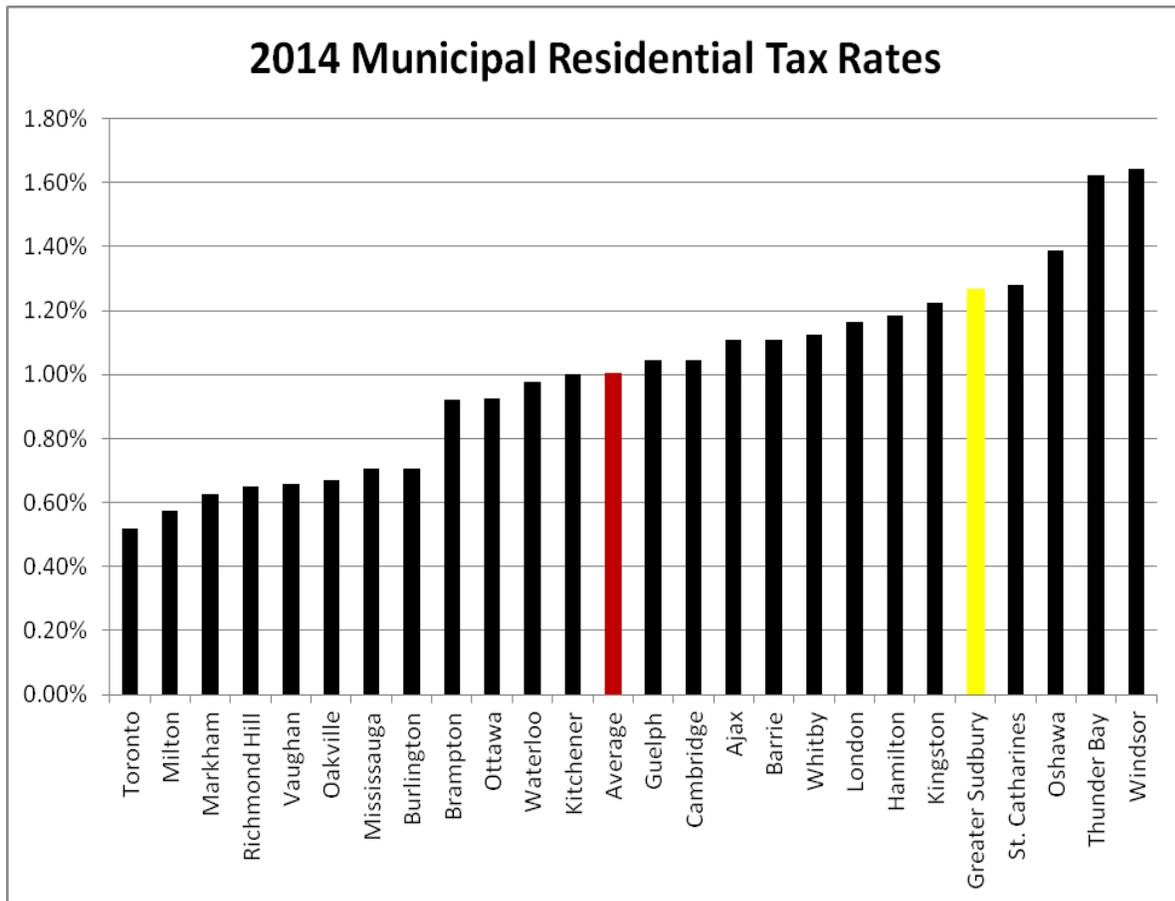
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Tax Rates and Property Taxation

Direct comparisons of property tax rates are often made and lead to erroneous conclusions with respect to “high” or “low” jurisdictions. Tax rates are only one factor in the calculation of property taxes and assessment (CVA) must also be considered for a true comparison.

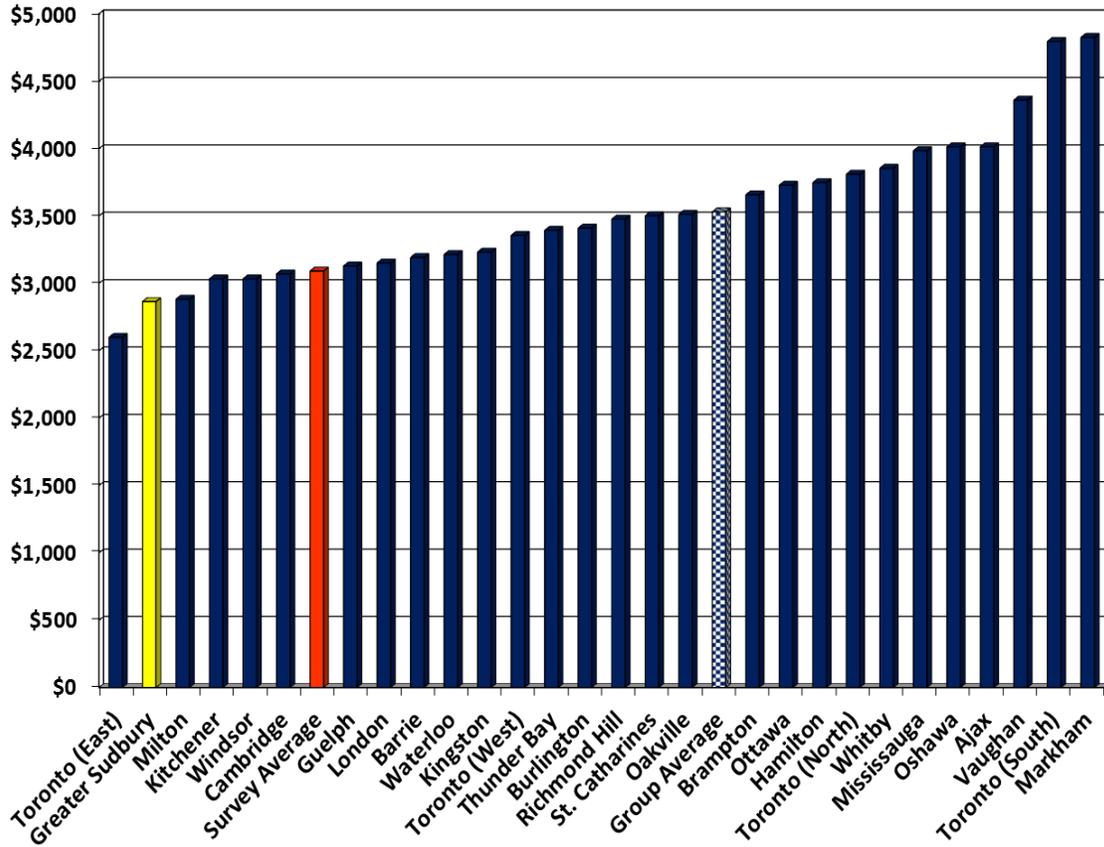
Comparisons to Municipalities with a Population of Greater than 100,000

The graph below provides the 2014 Property Tax Rates for Ontario Municipalities with a population greater than 100,000. This information has been obtained from the BMA Study.

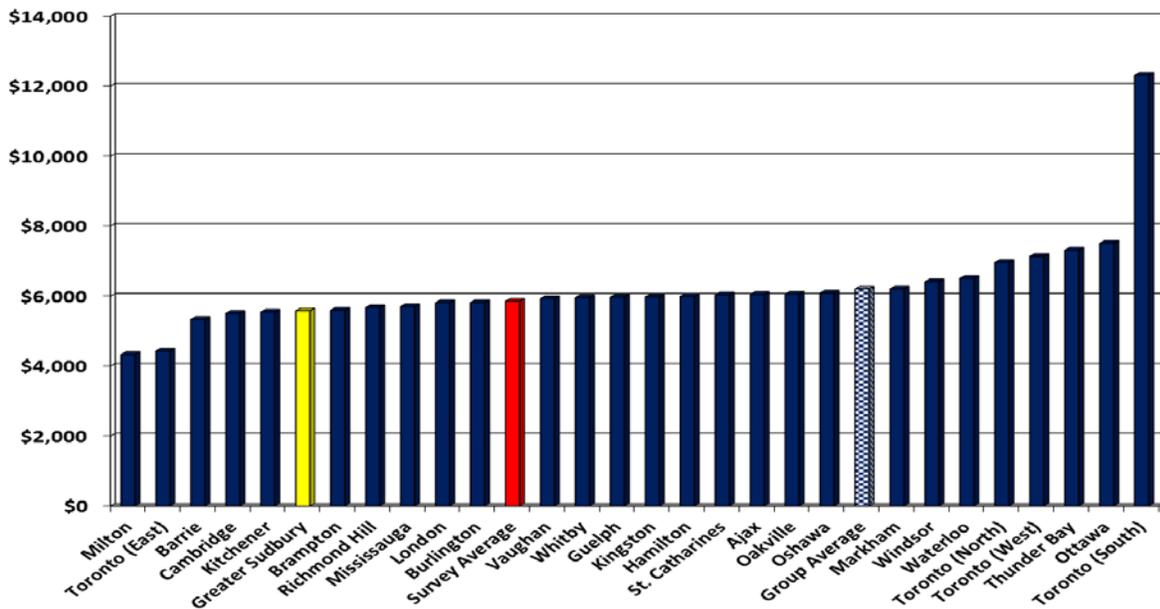


The above noted graph, the City of Greater Sudbury has a residential tax rate that is the fifth highest among municipalities with a population of greater than 100,000. However, when assessments are multiplied by the tax rate to reflect the municipal taxation, the City of Greater Sudbury is the second lowest in taxes levied on a typical bungalow as reflected in the following graph.

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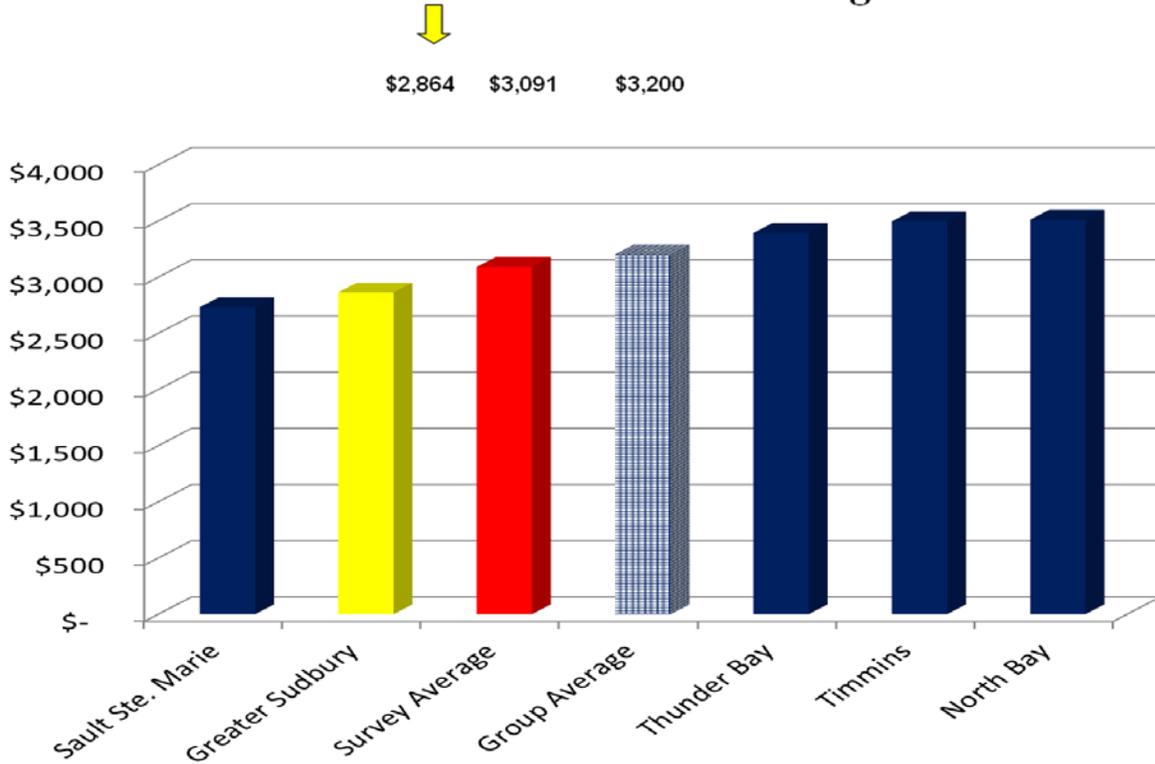
The chart below, illustrates the taxes levied on a Senior Executive Home.



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The charts below provide the 2014 Property Taxes Levied for the residential class for the large Northern Municipalities. This information has been obtained from the BMA Study.

2014 Residential Detached Bungalow



2014 Senior Executive Home

