

Request for Decision

Minimum Property Tax Bill

Presented To: Finance and
Administration
Committee

Presented: Tuesday, Jan 17, 2017

Report Date Tuesday, Dec 20, 2016

Type: Managers' Reports

Resolution

THAT the City of Greater Sudbury establishes a minimum tax levy of \$50.00 per tax bill for the interim, final and supplementary tax billings in 2017;

AND THAT the Miscellaneous User Fee By-law be amended.

Finance Implications

The establishment of a minimum tax bill of \$50.00 for the interim, final and supplementary tax billings will result in a contribution to the general revenues of the City in the approximate amount of \$45,000.00.

Purpose

This report deals with a proposal to institute minimum property tax bills for the interim, final and supplementary tax billings annually.

Background

Each year the Municipal Property Assessment Corporation returns the assessment roll to the City of Greater Sudbury thereby providing assessed values of all property within the municipality. The assessment roll forms the basis for the tax roll enabling the City to levy property taxes on all rateable property within the City.

Taxes are levied against all current value assessments on all eligible tax classes of property, however certain lands are subject to low assessed values due to being landlocked, poor topography, forming parts of unopened subdivisions or because of access limitations. Such properties yield very low tax revenue and in many cases the taxes are less than the cost to produce a tax bill.

In addition to the aforementioned, the Province of Ontario passed Ontario Regulation 430/15 authorizing the valuation and subsequent taxation of billboards. Billboards on private property are now subject to property taxes in the commercial tax class for the taxation years 2014, 2015 and 2016. A review of these tax accounts indicates that since billboards are assessed by their replacement cost, the current value

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assessments are low and in many cases result in a minimal tax liability.

A review of the City's 2016 tax roll indicates that approximately 1200 properties generate tax revenue of less than \$100.00 annually (municipal and education).

For the information of Council, Section 355 of the Municipal Act provides the authority for a municipality, by bylaw, to set minimum tax amounts that result in a tax levy that differs from the methodology of assessment times the tax rate. As well, the municipality has the discretion to set the amount of the minimum tax bill and excess revenues are recorded in the general revenues of the municipality.

Conclusion

It would be appropriate for the City of Greater Sudbury to adopt a minimum tax bill.

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