

February 3, 2020

Oral presentation to Ontario's
2020 Budget Consultations
Feb 3, 2020 – Kenora, Ontario

Subject:
Property Taxation in TWOMO areas

By DoKURA
The District of Kenora
Unincorporated Areas Ratepayers Association

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Thank you for allowing us the opportunity to make a presentation on 2020-2021 provincial budget planning.

A written submission providing more detail has been submitted to the committee.

DoKURA — the District of Kenora Unincorporated Areas Ratepayers Association — represents some 25,000 year-round and seasonal residents of the unincorporated areas in the Kenora District, referred to as TWOMO (Territory Without Municipal Organization) in government regulations.

Our presentation today deals with the Provincial Land Tax.

Unlike municipalities where a single entity (a municipal council) sets the rate and collects taxes to fund local services, in non-municipal areas in Northern Ontario, property related service taxes are levied by the Province, Local Services Boards and Local Roads Boards.

The system has undergone significant change over the past few years including a phase-in of fixed PLT rates.

Province-wide, in 2013, TWOMO property owners contributed some \$25 million towards local service costs of \$85 million. Of this, the Provincial Land Tax accounted for some \$12 million towards \$65 million in supported service costs.

Primary services include: Policing, Land Ambulance, Social Support Programs and Public Health

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In addition, property owners directly fund with separate taxes and voluntary levies, local roads, firefighting and other services delivered through Local Service Boards, Roads Boards, volunteer fire departments and road associations.

By 2021, when the phase-in of PLT increases is complete, non-municipal property owners will be contributing some \$60 million towards approximately \$100 million in service costs.

Our concern is with fixed PLT rates.

Municipalities, service boards and the province with its universal education rate, can and usually do, adjust rates downward annually to reflect average assessment increases. From 1998 to 2013 the province followed a similar practice with the PLT. However there was no mechanism included in the revamping of the PLT to do this post-2021.

This is of particular concern in this area where highly valued waterfront property represents a significant portion of properties and has historically increased in tax value at a much greater rate than non-waterfront, rising annually by as much as 10% compared to 5% provincially. Approximately 25% - 11,000 of 43,000 residential PLT properties across Northern Ontario - are located in the Kenora District, and of those approximately 85% are waterfront.

We are asking for a continuation of the practice of reducing the residential Provincial Education Tax rate to reflect the average annual increase in assessment, and to apply that same policy to the Provincial Land Tax once universal rates are fully implemented in 2021.

Thank you