

## SECTION III

# 37 Taxation Services\*



### What is the Service?

Taxation services provide the efficient and effective collections of all taxes owing to the municipality. Municipalities are mandated by provincial legislation to levy and collect property taxes for municipal and education purposes. It is the municipal portion of the property tax bill that provides municipalities with the major source of revenue they require to operate on a day-to-day basis.

Property tax revenue is based on the total assessed value of all properties within the municipality. The Municipal Property Assessment Corporation (MPAC) is responsible for determining the current value assessment and tax class for all properties in Ontario. Municipal tax rates are set by municipal Council each year based on their budgetary requirements while the Province sets the education tax rates.

### Influencing Factors:

**Economic Conditions:** High growth municipalities may require additional billing processes, i.e. supplementary and omit bills, interim and final runs.

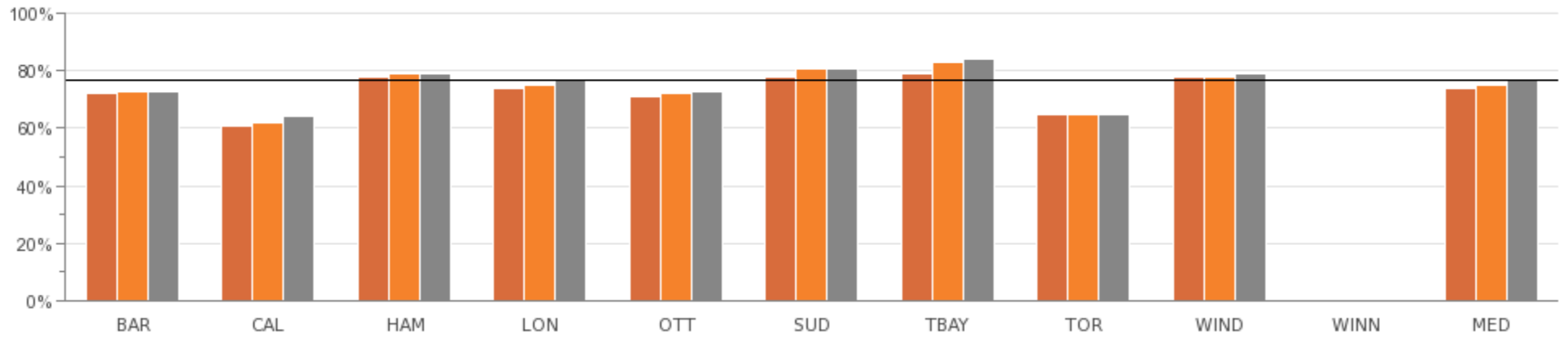
**Government Policy:** Ministry required standardized billing and changes in capping methodology requires municipalities to continually upgrade software systems to maintain compliance with legislation.

**Policies and Practices:** Differences in how each municipality defines a bill, administration of pre-authorized payment plans, internet-based payment options, collection processes; and the number and treatment of Payment in Lieu (PIL) accounts.

## Taxation Services

### What percent of your property tax bill goes to the municipality?

Fig 37.1 Municipal Taxes as a Percent of the Tax Levy (All Classes)

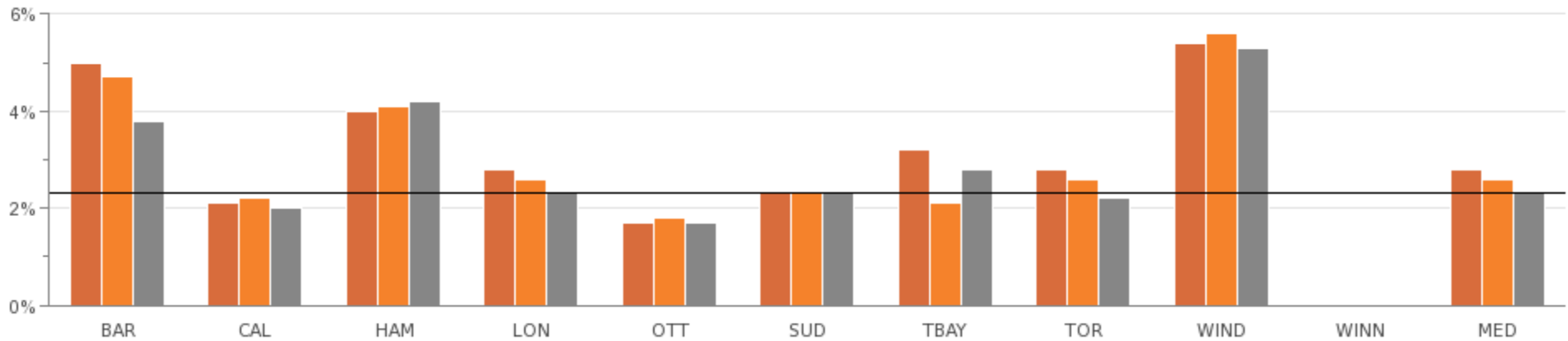


2009	72%	61%	78%	74%	71%	78%	79%	65%	78%	N/A	74%
2010	73%	62%	79%	75%	72%	81%	83%	65%	78%	N/A	75%
2011	73%	64%	79%	77%	73%	81%	84%	65%	79%	N/A	77%

Source: TXRS111 (Community Impact)

## What percent of current year's tax dollars is outstanding?

Fig 37.2 Current Year's Tax Arrears as a Percent of Current Year Levy



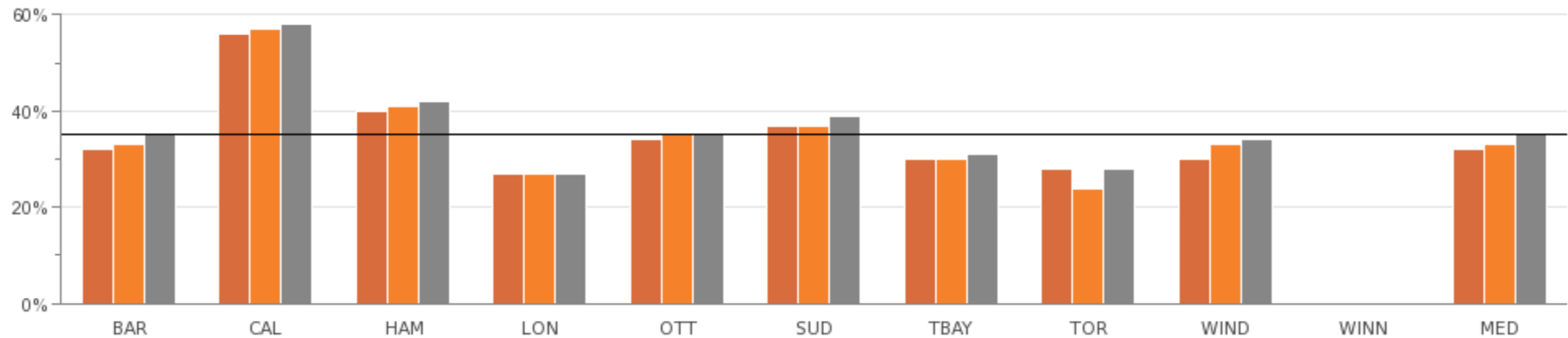
2009	5.0%	2.1%	4.0%	2.8%	1.7%	2.3%	3.2%	2.8%	5.4%	N/A	2.8%
2010	4.7%	2.2%	4.1%	2.6%	1.8%	2.3%	2.1%	2.6%	5.6%	N/A	2.6%
2011	3.8%	2.0%	4.2%	2.3%	1.7%	2.3%	2.8%	2.2%	5.3%	N/A	2.3%

Source: TXRS135 (Community Impact)

Comment: A municipality showing a small percentage indicates that the majority of taxes billed have been collected. Some municipalities transfer other outstanding receivables to the tax account for collection, e.g. unpaid water billings.

## What percent of accounts use pre-authorized payment plans?

Fig 37.3 Percent of Accounts (All Classes) Enrolled in a Pre-Authorized Payment Plan

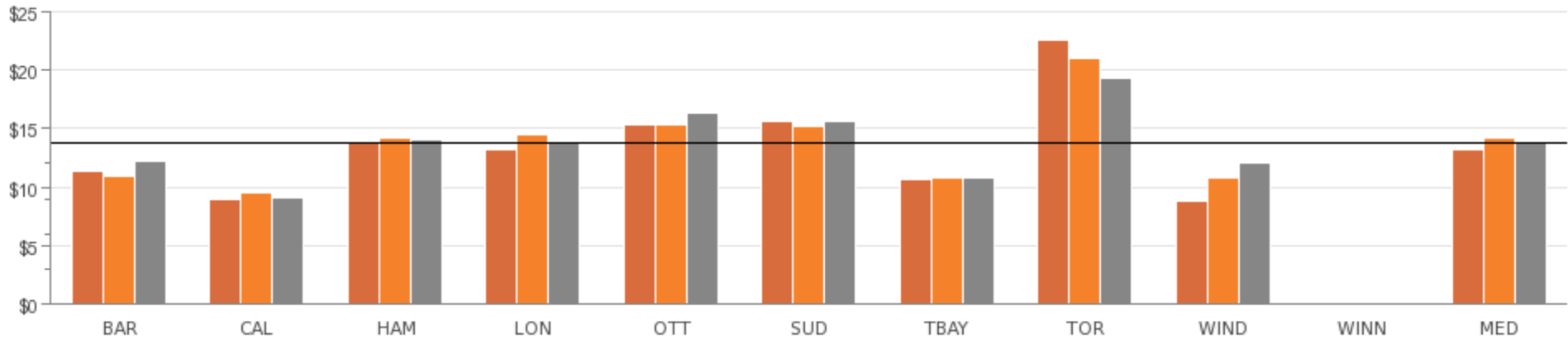


2009	32%	56%	40%	27%	34%	37%	30%	28%	30%	N/A	32%
2010	33%	57%	41%	27%	35%	37%	30%	24%	33%	N/A	33%
2011	35%	58%	42%	27%	35%	39%	31%	28%	34%	N/A	35%

Source: TXRS405 (Customer Service)

## How much does it cost to maintain a property tax account?

Fig 37.4 Operating Cost to Maintain Taxation Accounts per Account Serviced



2009	\$11.37	\$8.94	\$13.71	\$13.28	\$15.35	\$15.64	\$10.64	\$22.65	\$8.81	N/A	\$13.28
2010	\$10.97	\$9.52	\$14.25	\$14.54	\$15.32	\$15.14	\$10.78	\$21.10	\$10.82	N/A	\$14.25
2011	\$12.20	\$9.08	\$14.03	\$13.73	\$16.35	\$15.67	\$10.75	\$19.35	\$12.00	N/A	\$13.73

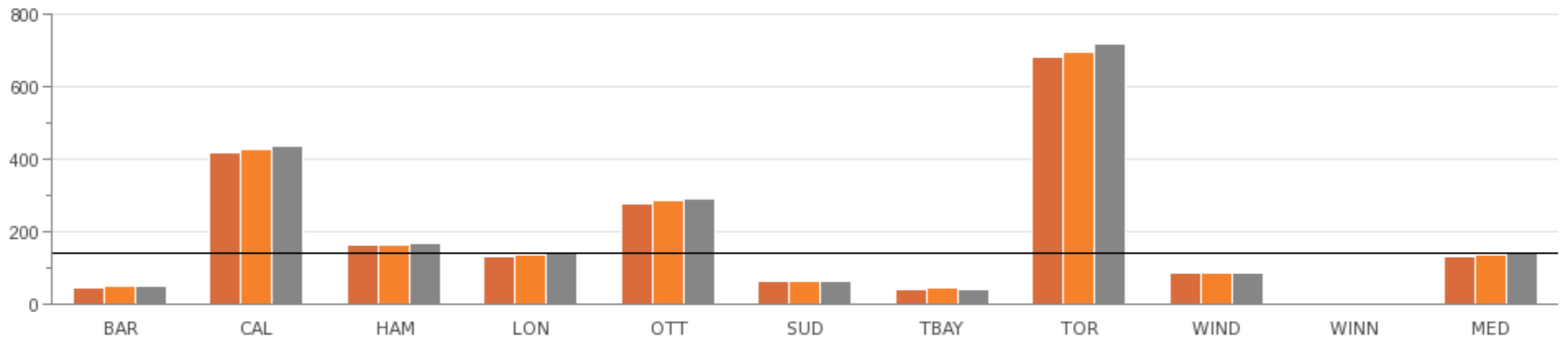
Source: TXRS310 (Efficiency)

Comment: Taxable accounts include but are not limited to residential, multi-residential, commercial, industrial and farmland. Other accounts are classified as payments-in-lieu and generally represent properties owned by the various levels of government. Costs related to the preparation and mailing of all billings, including interim, final and supplementary bills, payment processing and collection are included in this calculation.

### How many tax and payment in lieu (PIL) accounts are maintained and/or serviced annually?

Fig 37.5 Total Number of Tax and PIL Accounts Maintained/Service Annually

(In Thousands)



2009	46,046	418,861	162,493	131,979	277,621	61,234	41,321	681,195	83,710	N/A	131,979
2010	46,728	426,681	164,044	135,985	283,643	62,667	42,249	694,324	83,842	N/A	135,985
2011	46,834	434,761	165,520	138,680	289,378	63,032	41,662	720,736	84,469	N/A	138,680

Source: TXRS225 (Service Level)