



*Chamber of Commerce
Brantford - Brant*

Property Tax Policy Paper

Issue

The cost burden associated with Property Taxes on all tax rate classes has been an ongoing problem which has been debated at all levels of government. The two factors in calculating and distributing this burden are the ratios between classes and the actual tax rates used to apply to the assessed values in each class. It is imperative for future growth and development that the Municipalities of Brantford and Brant County implement measures that ensure fairness in the allocation of the Property Tax cost to all rate classes.

Background

In 1998 The Ontario Provincial Government's Property Tax Reform established "Range of Fairness" ratio guidelines for all rate classes after recognizing that the Industrial, Commercial and Multi-Residential Classes were paying significantly more than their fair share of property taxes compared to the Residential class.

The Ontario Government has also identified the Brantford and Brant County area in their Places to Grow Act in 2005 along with many neighbouring, and competing, municipalities in The Greater Golden Horseshoe Region. The most effective strategy for growth is in all classes - Business (job creators), Investors, Professionals and a skilled and educated workforce of residents. The environment to attract these key stakeholders is extremely competitive as businesses and individuals are more mobile and keenly aware of opportunities and options offered by lower cost alternatives in regional, provincial and international jurisdictions.

In response to *feedback from our membership, the Chamber of Commerce Brantford - Brant proposed to both Brantford and Brant County Councils a plan to move towards the fairness ratios established by the Province and the city adopted a twelve year transitional plan in 2008. The County to date has continued to retain their ratios which are not within the range of fairness guidelines. The City has since abandoned the plan established by a previous Council and is now looking at alternative steps to move forward with a revised property tax ratio implementation strategy.

As municipalities commit to implement the "Range of Fairness", this commitment becomes a significant tool in the municipality's "Economic Development and Recruitment Toolkit". Investors in all Classes make long term plans and strategies and seek out communities where there is a predictable and improving investment climate around issues such as Property Tax.

Our Position

The City of Brantford and The County of Brant must demonstrate leadership by implementing plans to phase in targeted tax ratios for Industrial, Commercial and Multi-Residential classes that are closer to the range of fairness ratios established by the Province. The implemented policies must not be altered or adjusted at a later date - all rate payers must be able to have confidence when making investment decisions that the policies are in place on a permanent basis. Both rates and ratios must be managed effectively in order to ensure fairness and that all essential services are provided with the highest level of cost efficiency.

Effective and predictable Property Tax strategies can make a community an attractive place for new investment, reinvestment and growth. In a world where investment is mobile and looks for hospitable communities, elements such as competitive tax rates, ratios and the implementation of the “Range of Fairness” play an important role in making Brantford and Brant County stand out above other municipalities.

Both Municipalities must ensure that we become more competitive in our ability to attract assessment growth in all classes but most importantly in the job creating Industrial and Commercial business classes. The retention of, and commitment to, existing businesses is of equal if not greater importance and there should be an acknowledgement that Industrial and Commercial classes are a lower cost burden on municipal services yet pay significantly more in tax and will continue to do so even after ratios are adjusted.

Approved by the Board of Directors Chamber of Commerce Brantford Brant Dec 16 ,2015

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