

Appendix A

Definitions

“Current Value Assessment (CVA)” means the basis for valuing land for assessment purposes in Ontario. CVA is the value a property might reasonably be expected to sell for if sold by a willing seller to a willing buyer without undue pressure, at “arms-length” and with appropriate exposure to the open market.

“Phased-in Assessment” means market increases in assessed value between January 1, 2012 and January 1, 2016 phased in equally over four years (2017-2020). The full benefit of a decrease is applied immediately therefore all of the assessment reductions were applied to the 2017 assessments.

“Real assessment growth” means supplementary assessments resulting from new buildings, additions, new subdivisions, severances, etc. reduced by reductions in assessment resulting from assessment appeals.

“Levy” means the amount required to operate a municipality and service its taxpayers as established in its budget process.

“Tax Rate” means a percentage rate that is applied to the assessed value (CVA) of a property to determine the taxes payable. The residential tax rate is calculated by dividing the levy amount by the total taxable assessment. All other municipal taxes are calculated using the residential tax rate multiplied by the associated tax ratio for the property class.

“Tax Ratio” means the mathematical relationship between the tax rate for the residential class and the tax rates for other property classes. Residential tax ratio is 1.0. If a tax ratio for another class is 2.0, the tax rate for the class when measured against the residential rate is two times more.

“Provincial Ranges of Fairness” means target levels of taxation that are prescribed by the Provincial government for each property class to encourage the reduction of tax rate differences and tax shifting between classes.

“Municipal Taxes” means the tax amount or payment-in-lieu of taxes that is calculated using the applicable general rate. The municipal tax rate is applied to all properties to fund the services required to operate the municipality as approved by the annual budget.

“Education Taxes” means a tax collected by the municipality as part of the property that that is used to fund the cost of elementary and secondary school education. The Ministry of Finance sets the education tax rates for all property classes annually and municipalities are required by legislation to levy and collect taxes on their behalf.

“Total Taxes” municipal taxes plus education taxes.

“Capped taxes” means properties that are protected from paying full CVA taxes on the basis of a cap applied to their annualized taxes based on the Mandatory Capping Program and Tax Capping Policy decisions adopted by Council.

“Claw-back” means tax decreases that will not be passed on to property owners. Decreased taxes are used to pay for the capped taxes and claw-back percentages are based on the Mandatory Capping Program and Tax Capping Policy decisions adopted by Council.

“Payment in Lieu of taxes (PILs)” means revenue received by a municipality for properties that are exempt from property taxation. To recognize the cost of providing services to property that are not taxed, the provincial and federal government make payment-in-lieu of paying taxes for properties they own.

“Median” means a value or quantity lying at the midpoint of a frequency distribution of observed values or quantities, such that there is an equal probability of falling above or below it.