

# Inequity of Bluewater Taxes & Services

## Tax Facts

The property tax burden has continued to shift as a result of the provincial system of “*current value assessment*” (CVA):

- **Residential taxes** now represent 85.4% of the total, (vs. farmlands, 7.8%; and all other classes, 6.9%).
- Over the past 6 years, residential taxes in the Wards of **Hay / Stanley West have increased by 24.0%**, vs. only 9.8% for the 4 inland wards combined.
- **42 cents of every tax dollar** for every Bluewater expenditure, County and education levies come from **Hay / Stanley West**.

As a result of the 2008 reassessment, the **inequity will get worse**. From 2009-2012, CVA in **Hay / Stanley West will increase by 25.2%**, vs. only 7.6% for the 4 inland wards. Assessment rolls confirm that **lakefront properties bear the brunt of these changes** with their taxes significantly higher than larger and more elaborate inland residences.

## Road Service Inequities

In the Wards of **Hay West** and **Stanley West**:

- The majority of roads are neither assumed nor maintained by the Municipality.
- Most road surfaces are gravel.
- Few of the assumed roads are paved.

For many subdivisions accessed by unassumed roads, the reimbursement available through the Bluewater Road Grant program does not cover all the costs associated with maintaining the roads. As a result, a significant portion of shoreline residents are required to provide funds additional to their taxes to maintain the roads accessing their residences.

By contrast, **in the other 5 wards all residence-access roads are assumed and maintained by the Municipality**. As a result, residents are not required to provide additional funds beyond their taxes. With respect to the surface of roads accessing residences, streets in the village wards of **Bayfield, Hensall** and **Zurich** are all paved. In the rural wards of **Hay East** and **Stanley East**, the majority of residents live on north-south roads, most of which are paved; Most gravel surfaces are on sparsely-populated east-west roads.

Simply put, those that pay the highest taxes get the least service.

## BSRA Submission to Bluewater Council

At the 2009 BSRA Annual Meeting, member subdivision representatives directed the Board to make a presentation to Bluewater Council identifying the severity of the taxation issue and the inequity among Bluewater wards with respect to the provision of municipal road services. This presentation is scheduled for the **November 16<sup>th</sup> Council meeting**.

### **BSRA will identify the following ways Bluewater Council could provide some relief for taxpayers in all 7 wards:**

- Commencing with the 2010 tax year, implement the option of a 10-installment tax payment plan.
- Adopt a Municipal Budget Policy that would limit the annual tax increase on any residential property to a maximum of 5% over the previous year’s taxes, regardless of the effect that increases in current value assessment would otherwise have.

### **BSRA will also request Bluewater to allocate a greater share of the existing municipal budget within the Wards of Hay West & Stanley West to reduce the inequity that exists among its 7 wards with respect to taxes collected from, and direct services provided to, each ward.**

Specifically, BSRA will request that Council allocate sufficient funds with the existing budget of the Roads Department to:

- Change the Road Grant reimbursement program to:
  - remove the per kilometer reimbursement cap; and
  - include the general liability insurance premium as an expense eligible for reimbursement.
- Develop a schedule to pave currently-assumed roads west of Highway 21.
- Assume and maintain, at Municipal expense, those residence-access roads within the Wards of Hay West and Stanley West that are designated on subdivision plans as:
  - “*Fee Not Dedicated*”,  
provided the subdivision association wishes the Municipality to assume that road;  
OR
  - “*Dedicated*” (i.e., not privately-owned, but currently unassumed)