

DISTRICT OF KENORA UNINCORPORATED AREAS RATEPAYERS ASSOCIATION

A NON-PROFIT ONTARIO CORPORATION
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The District of Kenora Unincorporated Areas Ratepayers Association (DoKURA) provides a unified political voice for the residents and ratepayers of the unincorporated areas of the Kenora District, promotes communications between the unincorporated communities in the Kenora District along with a better understanding of the unique problems that the unincorporated area faces. DoKURA was formed in 1996 to represent the views of people living in non-municipal areas of the District of Kenora in dealings with government and to lobby on their behalf for fair tax treatment as well as elect representatives to the Kenora District Services Board (KDSB).

The Ontario Ministry of Finance recently announced a review of the Provincial Land Tax (PLT) and requested input to ensure that concerns of northern residents are addressed in a fair and balanced manner. In the 2014 budget the government announced it was freezing the tax rates at 2013 levels while the review was conducted. In announcing the review, the government cited a concern raised by municipalities over inequities between tax rates in municipalities and rates in non-municipal areas adjacent to municipalities as one the reasons for the review.

We agree with the review's objective stated at a recent open house of tax fairness, based on the assumption that this also means no taxation without representation. To that end, DoKURA appreciates the opportunity to comment in this case as unlike in municipalities, there are not often the same mechanisms available to individuals or organizations within unincorporated areas to engage in government decision making and processes.

DoKURA offers the following input on behalf of our members.

As indicated in our September 3 teleconference, Provincial Land Tax (PLT) dollars collected from property owners in non-municipal areas should continue to be spent on services only in those areas. DoKURA will lobby strongly to ensure

municipal governments aren't given the power to levy taxes, or receive property tax dollars from non-municipal areas as they don't provide any services in non-municipal areas.

DoKURA is also urging the government to end its two-tier rate structure of the tax. When the PLT was restructured in 2008 to use a current market value assessment system, residential and farm properties outside of school board taxation areas were given a much lower tax rate. Commercial and industrial properties pay the same PLT rate no matter where they're located. In our opinion, using the education tax boundaries makes no sense as that is a separate tax and has nothing to do with the services funded through the PLT.

It is our understanding that the services funded include policing, fire protection, roads, land ambulance, social services (Ontario Works, Child Care and social housing), public health and long term care homes.

During the September 3, 2014 conference call, DoKURA also made the point that if the aim of this proposed PLT reform is to generate more tax dollars, the Ministry of Finance must first ensure that the Municipal Property Assessment Corporation, which maintains and updates property descriptions and assessment records province-wide, does its job. The Ministry of Finance pays the assessment corporation an annual fee to conduct assessments and maintain records for the PLT system, in a manner similar to municipalities. In 2008 the assessment corporation received additional funds from the Ministry of Finance of over \$7 million to ensure on-site visits to each unincorporated area property were made as part of the system-wide updating being done then.

This has still not been done. We continually hear of properties that have not had an on-site visit in decades, and cases where new homes and buildings have been erected with no change in assessment values for the property. If the government is going to fund services based on property value, ensuring everyone pays their proper share makes more sense than simply raising the tax rate.

Additional revenues for the province can also be generated by aligning commercial, industrial, and right-of-way corridor charges in unincorporated areas to more closely match amounts charged in municipalities.

PLT rates for residential properties are currently, and should remain significantly lower than municipal property tax rates in neighbouring municipalities due to the smaller number and lower cost of local services delivered in non-municipal areas. The province should continue to co-fund services in the unincorporated areas, similar to co-funding provided to comparable small rural municipalities. Co-funding must take into consideration the fact the province doesn't make Payment-In-Lieu of taxes to the PLT revenue stream as it does to municipalities for their property tax revenue streams.

In closing, DoKURA would like to be kept informed as the process moves forward. An immediate response indicating time lines and next steps would be appreciated. Unincorporated ratepayers want the consultation process to continue with an opportunity to comment on the proposed changes before they are implemented.

We look forward to your response.

Jack McKenzie

President, DoKURA