

**MEMORANDUM**

PATR 2-2012

DATE: February 17, 2012

TO: Chair and Members of the Property Assessment and Tax Review (PATR) Committee

FROM: Brian Hutchings, Commissioner of Corporate Services

SUBJECT: 2011 Business Education Tax (BET) Update

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In 2011 the Niagara Region passed a budget that reduced property taxes by 1.37%. Through discussions Councilors and Staff have had with the office of the Minister of Finance, it is understood the Niagara Region is eligible for an accelerated BET reduction.

Attached to this memo is the letter sent by the Niagara Region on June 28, 2011 (Attachment A) requesting the reduction and the corresponding response received from the Deputy Premier/Minister of Finance on December 9, 2011 (Attachment B).

As discussed at the PATR Committee in the past, all BET requests for reduction are evaluated on a case-by-case basis. There is no regulated or set amount to which a municipality might be entitled to.

Staff continue to maintain dialogue with the Property Tax Analysis and Municipal Funding Policy Branch of the Minister of Finance. As indicated in the letter sent from the Deputy Premier/Minister of Finance, the "request for a 2012 industrial education tax rate reduction will be considered within the context of the 2012 education tax rate decision making process."

We will update this committee and LAMs once a decision has been made.

  
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Brian Hutchings, B.Comm, CGA  
Commissioner of Corporate Services/Treasurer

Attachments

Attachment A



**OFFICE OF THE REGIONAL CHAIR**

**GARY BURROUGHS**

The Regional Municipality of Niagara  
2201 St. David's Road, P.O. Box 1042  
Thorold, Ontario L2V 4T7  
Telephone: 905-685-1571  
Fax: 905-685-6243  
E-mail: gary.burroughs@niagararegion.ca

June 28, 2011

The Honourable Dwight Duncan  
Minister of Finance  
7 Queen's Park Crescent, 7<sup>th</sup> floor  
Toronto ON M7A 1Y7

Dear Minister:

**RE: Application for a Provincial Matching Reduction in the 2011 Business Education Tax**

As you are no doubt aware, much like your riding of Windsor-Tecumseh, Niagara Region continues to be negatively impacted by declining manufacturing and industrial activity across the region. We are therefore eager to take advantage of all available measures to support the retention of our local industry. In that regard, we are particularly appreciative of the Province's plan to cut the Business Education Tax rate to a maximum target rate of 1.6% by 2014.

As communicated in your Ministry's letter of January 31, 2011 to Municipal Clerks and Treasurers regarding 2011 Education Tax Rates; we note that *"The Province will also continue to provide education tax cuts to match municipal tax reductions"*.

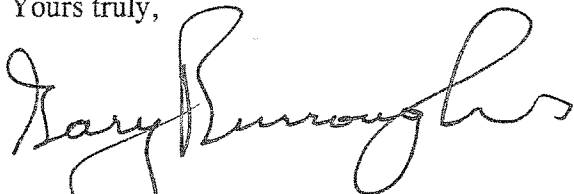
Through its 2011 Budget exercise, Niagara Region achieved a budget increase of only 0.10% and a municipal tax reduction of 1.37% after assessment growth. Therefore, the tax reduction was funded by assessment growth. Accordingly, the Region wishes to apply for a matching provincial reduction in the Business Education Tax for 2011.

Niagara Region has provided all relevant details to provincial staff and preliminary consultations with staff of the Provincial Local Finance Division of your Ministry suggest Niagara Region's eligibility for a matching provincial reduction in the industrial portion of Niagara's 2011 Business Education Tax in the order of approximately \$130,000.

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Given the time sensitivity of municipal tax operations, whereby 2011 tax billings have now been finalized, we respectfully request that your anticipated approval be implemented through the 2012 Industrial Education Tax rates.

Yours truly,

A handwritten signature in black ink, appearing to read "Gary Burroughs". The signature is fluid and cursive, with a large initial "G" and "B".

Gary Burroughs  
Regional Chair

C: Mr. Chris Broughton, Acting Director, Property Tax Analysis and Municipal Funding Policy Branch  
Mr. David Fujimagari, Property Tax Analysis and Municipal Funding Policy Branch  
CAO Mike Trojan, Niagara Region  
Commissioner Brian Hutchings, Corporate Services Department, Niagara Region

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Attachment B

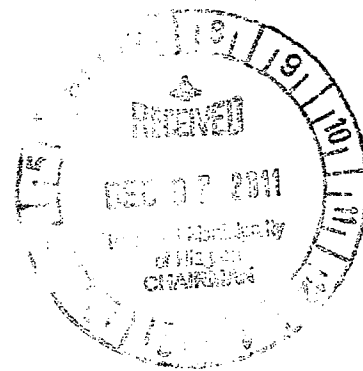
Ministry of Finance  
Deputy Premier  
Office of the Minister

Ministère des Finances  
Vice-premier ministre  
Bureau du ministre



7<sup>th</sup> Floor, Frost Building South  
7 Queen's Park Crescent  
Toronto ON M7A 1Y7  
Telephone: 416-325-0400  
Facsimile: 416-327-0374

7<sup>e</sup> étage, Édifice Frost Sud  
7 Queen's Park Crescent  
Toronto ON M7A 1Y7  
Téléphone: 416-325-0400  
Télécopieur: 416-327-0374



DEC 02 2011

Mr. Gary Burroughs  
Regional Chair  
Regional Municipality of Niagara  
2201 St. David's Road  
PO Box 1042  
Thorold, Ontario  
L2V 4T7

Dear Mr. Burroughs:

Thank for your letter your requesting that the province reduce the Region of Niagara's industrial education tax rate for 2012 to match the region's municipal tax reduction for the industrial class. I apologize for the delay in responding.

The province acknowledges the efforts made by the Region of Niagara to reduce the municipal property taxes on industrial businesses, and remains committed to supporting local initiatives to foster economic growth.

Be assured that your request for a 2012 industrial education tax rate reduction will be considered within the context of the 2012 education tax rate decision making process.

Thank you again for writing.

Sincerely,

Dwight Duncan  
Deputy Premier  
Minister of Finance

RECEIVED DEC 09 2011  
Niagara Region Clerk's Office

Original to: CC Reg. Ass't.

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Chap	<input type="checkbox"/>	Ext. Syst	<input type="checkbox"/>
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