

Inequity of Taxes & Bluewater Direct Services

Q. **Has there been a shift in which tax class bears the greatest share of the total tax burden (Bluewater, County, Education)?**

A. The residential taxpayer now **pays 85.4 %** of all taxes; farmlands, 7.8 %; and all other tax classes combined, only 6.9 %. In 2003, residential taxes represented only 80.8 % of the total; farmlands, 10.3 %; and all other tax classes combined, 8.9 %. The relative position of the residential taxpayer has obviously suffered.

Q. **Has the shift of the total tax burden to lakefront properties continued since the creation of the two shoreline wards?**

A. In 2008, the shoreline wards represented 41.4 % of the total tax revenue, and 48.4 % of total Bluewater residential taxes, vs. only 39.2 % and 46.5 % respectively in 2004.

Q. **What is the primary cause of these shifts of total tax burden within the Municipality of Bluewater?**

A. The provincial system of basing property taxes on "Current Value Assessment" (CVA).

Q. **What other effects of the CVA are noteworthy?**

- A.
- Bluewater ratepayers whose 2009 increase in CVA is less than the % reduction in the tax rate established by the Municipality will actually see a reduction in their property taxes. Thus, in comparison with 2008, **many of our neighbours east of Highway 21 will pay less tax this year**, whereas **the taxes on almost all lakefront properties will increase.**
 - Since the latest increase in CVA is spread across four years, **lakefront property owners can expect additional increases in each of the next three years**, resulting in a further shift of the tax burden from the balance of the Municipality.

Q. **Can the Bluewater Council change the CVA system to prevent the continuing shift of tax burden to lakefront properties?**

A. No. Only the provincial government has this power.

Q. **Which Bluewater taxpayers have to pay money additional to their property taxes to maintain roads accessing their residences?**

A. Only those residents of Hay West and Stanley West whose residences are accessed by roads not assumed by the Municipality.

Q. **What are examples of specific measures Bluewater Council could adopt to reduce the inequity among its wards with respect to taxes and the provision of direct services?**

- A.
- Ensure that its provision of direct services to each ward more closely reflects the tax revenue generated from that ward through measures such as the following:
 - Modify the existing **Road Grant Program** to:
 - **include the cost of subdivision liability insurance** as an expense eligible for reimbursement, and
 - **remove the per kilometer cap** so that all road maintenance expenses are reimbursed.
 - **Assume and maintain** at the expense of the Municipality those **residence-access roads** within the Wards of Hay West and Stanley West that are designated on subdivision plans as:
 - "*fee not dedicated*", provided that subdivision association requests the Municipality to assume the road, OR
 - "*dedicated*" (i.e., not privately owned).
 - Develop a 5- year schedule to **pave roads west of Highway 21 currently assumed by the Municipality.**
 - Limit the amount of individual tax increase resulting from reassessment to a maximum of 5% per year.
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Q. **What could BSRA do to persuade our elected representatives to narrow the existing inequity in the provision of direct services?**

- A.
- Make a formal presentation to Bluewater Council, appealing to the sense of fairness of the representatives of the other 5 wards.
 - Encourage shoreline residents to vote in the 2010 election for only those candidates who have supported measures such as the above to ensure a more appropriate balance between taxes collected from, and direct services provided to, the two shoreline wards.