



Transportation and Municipal Taxation Structure

Supplementary Information

Halifax Regional Council
Committee of the Whole

April 28, 2009



Update



➤ Timeline

➤ Approaches

- Everyone Pays
- Those within a Set Distance Pay
- Blend of Everyone and Those within a Set Distance
- Draw a new Transit Boundary
- Wait one year





Timeline



➤ June 24th Rural Express Transit

- “staff to return to Council no later than the start of fiscal 2010/11 with a new taxation strategy for transit”



➤ July 8th – Request for report on transit taxation

➤ December 16th – Motion in “principle” approved

- Regional/Local using Dwelling Units



➤ March 10th – Discussion on Options

➤ April 14 – COW approves Regional/Local Tax on Dwelling Units but doesn't ratify



➤ April 21 – COW approves General Rate on Assessment but defers back to COW





Motion of April 21st



➤ Option 2:

- General Rate Transit service across all of HRM.
- Means that all will pay regardless of whether they have access to transit service.
 - Excludes “Resource” area of HRM.
 - Funds will be combined with other accounts for an overall HRM surplus/deficit



➤ Cow Deferred Option 2 pending “Clarification from Staff”





Basic Assumptions



- Under any option someone will pay more
- However, Status Quo can't be maintained
 - Urban transit boundary doesn't grow with service, hence the service doesn't grow
- Objectives
 - Support MetroX
 - Requires a broader financial base
 - Smaller Communities need support for local transit
 - Boundary grows with the transit service
 - Establish some relationship between service and the benefit to the taxpayer



Who Benefits from Transit



➤ Its not just about those who ride the bus!



➤ The Benefit is across the municipality

- Less traffic congestion on the roads
- Less pressure to widen the roads, fewer roads to maintain
 - Cost avoidance of \$165m in transportation costs over 25 years
- Fewer greenhouse gases
- Promotes Economic Growth
 - Commercial traffic moves more quickly
 - Residents get to work





Potential Tax Rates



Everyone Pays

(except resource area)

11.2 cents per \$100 of assessment



Only those within a Set Distance

1 km

14.7 cents per \$100 of assessment

2 km

13.9 cents per \$100 of assessment

3 km

13.5 cents per \$100 of assessment



Blend of Everyone and those within a Set Distance

Assessment based

2.2 cents Regional, 11.7 cents local





Impact of Approaches



	Status Quo	Everyone Pays	Homes within a Set Distance Pay			Blend of Everyone /Set Distance
			1 km	2 km	3 km	
Single Family Homes	206	206	193	196	198	194
- Low Income Homeowners	124	122	121	118	117	120
- Waterfront Properties	172	233	93	109	125	120
Mobile Homes	36	41	35	34	35	36
Condominiums	207	179	227	217	211	216
Homes with Basement Apartment	128	116	140	133	130	134
Small Apartments (3-6 units)	101	87	113	106	103	107
Large Apartments (7+ units)	75	64	84	79	77	79

Note: Low Income amount is preliminary estimate and will be adjusted



Everyone Pays



➤ Advantage

- Many across HRM benefit even if not using transit
 - Broadens the financial base for transit
- Makes local transit more feasible in smaller communities
- Supports MetroX



➤ Disadvantage

- Tax varies but not with level or cost of service
- Transit Service is not yet widely available across HRM
 - Some will pay high taxes for no local service





Those Within a Set Distance Pay

(eg 1km, 2km or 3km)



➤ Advantage

- As Transit Service is not yet widely available, will tax only those with service
- Transit tax expands as Transit service expands
 - Makes local transit more feasible in smaller communities
- Consistent Rule is easy to understand and administer



➤ Disadvantage

- Many will benefit but still will not pay
- Doesn't support MetroX
 - users will pay little or no transit taxes
- The financial base for transit is not broadened
- Tax varies but not with level or cost of service





Blend of Everyone and Those within a Set Distance



➤ Advantage

- Can be used to Transition towards a broader tax
 - Transit tax expands as Transit service expands
 - Once everyone has service, Everyone can pay
 - Broadens the financial base for transit
- Makes local transit more feasible in smaller communities
- Supports MetroX
 - users will pay towards cost of MetroX
- Consistent rule on Local Transit



➤ Disadvantage

- Tax varies but not with level or cost of service





Average Property Taxes



	Status Quo	Everyone Pays	Homes within a Set Distance Pay			Blend of Everyone /Set Distance
			1 km	2 km	3 km	
Within 1 km of Transit						
District 9 (Albro Lake - Harbourv	170	145	190	180	175	179
District 10 (Clayton Park West)	289	247	324	306	298	306
District 11 (Halifax North End)	227	194	254	240	234	240
District 12 (Halifax Downtown)	311	266	330	312	303	315
District 15 (Fairview - Clayton Pa:	214	183	240	227	221	227
Within 3 km of Transit						
Beaver Bank	205	185	179	220	221	178
Hammonds Plains	114	284	75	153	219	115
Waverley	256	226	42	61	72	78
Cow Bay	76	180	0	7	50	35
Lucasville	54	134	0	18	63	26
Farther than 3 km of Transit						
Boutilliers Point	76	190	0	0	0	37
Hubbards	68	169	0	0	0	33
Seabright	78	193	0	0	0	38
Musquodoboit Harbour	57	141	0	0	0	28



Conclusions



➤ Status Quo could work for one more year if it had to



➤ Taxing either **Everyone** or only those within **1 to 3 km** of Transit fails to meet key objectives



➤ Blend of **Everyone** and a **Distance Rule** may help transition to a general tax rate on transit

- Tax expands as Transit service expands
- Supports both Local Transit and MetroX

