



Transportation and Municipal Taxation Structure

Additional Information

Halifax Regional Council
Committee of the Whole

May 26, 2009



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 (Option 9a)



- April 21 – COW approves General Rate on Assessment but defers back to COW (Option 2)
- April 28 – Council approves Regional/Local Tax rate on assessment (Option 6a). Uses 3km buffer for local rate.



- May 12 – Council asks to look at “amendments”



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





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



Approved Motion of April 28th



➤ Option 6a:

- Regional Transit Rate of 2.2 cents for all of HRM.
 - Except Resource Area
- Local Transit Rate of 10.8 cents for all those within 3 km walking distance of a local transit route.
- To be reviewed in 1 year



Premise: Tax moves out as service moves out



Impact of Option 6a on Suburban and Rural Taxpayers



Tax by Distance from Transit Stop

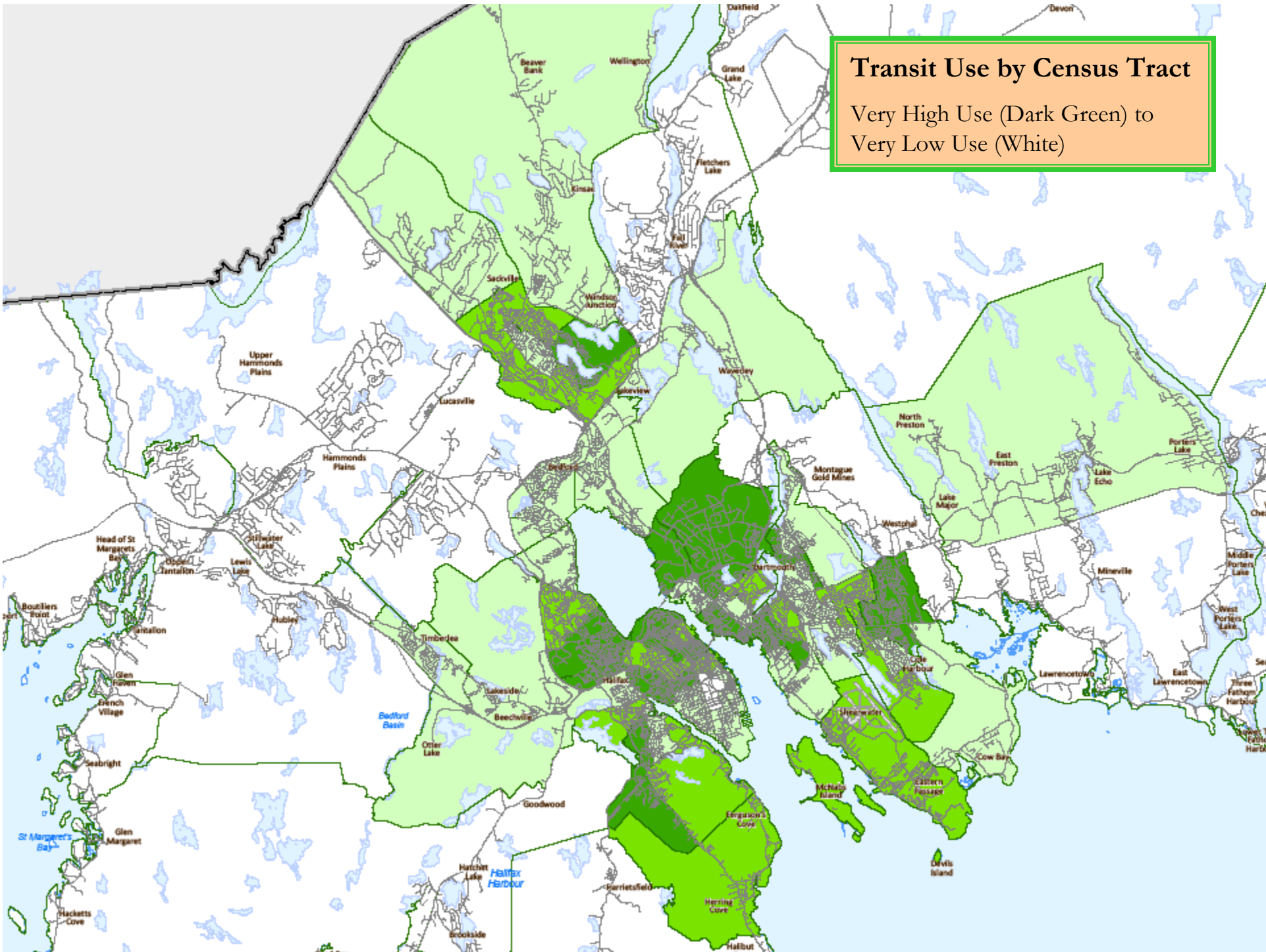


	Status Quo	Option 6A: Local Transit Rate at 3km
No Transit Stop	98	31
Within 1km	71	183
Within 1km to 1.5km	88	244
Within 1.5km to 2 km	101	271
Within 2km to 3 km	113	276
Total	95	80



Avg Tax increases the farther you are from a bus stop

Transit Use by Census Tract
Very High Use (Dark Green) to
Very Low Use (White)





Alternative Approaches



1) Change the Buffer Zone

- 1km, 1.5km, 2km, 3km



2) Include a portion of Local Transit costs in the Regional Tax Rate

- Eg, include 25% of local costs in regional tax rate



3) Use Dwelling Unit Tax for Regional Rate

- Eg \$42 per home, not 2.2 cents on assessment





The Buffer Zone



➤ 1 km is consistent with the Active Transportation Plan

- Takes 12-15 minutes to walk



➤ 1 km is consistent with Metro Transit's standards that 90% of all urban residents are within

- 500m of a bus stop during the daytime, Mon-Sat,
- 1 km in evenings, Sundays & holidays.





Include a portion of Local Transit Costs in Regional Tax Rate



➤ 25% of Local Transit Costs are included in Regional Transit Rate



- All taxpayers benefit to some extent from transit.

- 25% is a judgment call.

- Change in tax rates (vs 1km buffer):

- Regional Tax Rate increases from 2.2 to 4.5. + 2.3 cents

- Local Tax Rate decreases from 11.7 to 8.8. - 2.9 cents



Total rate declines from 13.9 to 13.3 cents but taxes increase for those without direct access to the service





Place the Regional Tax Rate on a Dwelling Unit basis



➤ Instead of 2.2 cents becomes \$42 as in Option 9. Local Transit rate remains on transit. (1km = 11.7 cents).



➤ Offsets some the tax increase that would otherwise exist in above average assessment properties (vs Option 6).



- 50% for multi-unit properties



➤ Higher tax for below average assessment.





Alternative Tax Rates



Regional and Local Transit Taxes



6 Using 1 km setback 2.2 cents Regional, 11.7 cents local
= 13.9 cents

6a Using 3km setback 2.2 cents Regional, 10.8 cents local
= 13.0 cents



6b Using 1km setback, 25% of local costs shared 4.5 cents Regional, 8.8 cents local
= 13.2 cents



6c Using 1km setback, Regional Rate on dwellings \$42 Regional, 11.7 cents local

6d Using 1.5 km setback 2.2 cents Regional, 11.4 cents local
= 13.6 cents





Impact of Options



Status Quo

Option 6: Local Transit Rate at 1km
Option 6A: Local Transit Rate at 3km
Option 6B: Local Transit Rate at 1km, with 25% to Regional
Option 6C: Local Transit Rate at 1km, Regional at \$42
Option 6D: Local Transit Rate at 1.5km

Rural/Suburban Homes

No Transit Stop	98	31	31	64	33	31
Within 1km	71	198	183	189	206	185
Within 1km to 1.5km	88	41	244	84	42	255
Within 1.5km to 2 km	101	46	271	94	41	46
Within 2km to 3 km	113	47	276	96	41	47
Total	95	52	80	82	54	58

Urban Homes

	246	251	243	242	249	249
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Conclusions



➤ Approved model is workable but will be seen as unacceptable in some areas

- Tax arrives as transit service arrives



➤ 1 km approach is probably more acceptable:

- Option 6 - 2.2 cents and 11.7 cents
- Option 6b (25% share) - 4.5 cents and 8.8 cents
- Option 6c (on Dwellings) - \$42 and 11.7 cents

