



Staff Report

Finance

Report To: COW_Finance_Admin_Fire_Community_Services
Meeting Date: December 9, 2024
Report Number: FAF.24.141
Title: Resort Condominium Tax Classification
Prepared by: Amy Moore, Manager of Revenue, Corporate and Financial Services

A. Recommendations

THAT Council receive Staff Report FAF.24.141, entitled "Resort Condominium Tax Classification";

AND THAT Council direct staff to work with MTE and Grey County to complete a thorough review of the properties and the consequences to the Town/County and property owners.

B. Overview

This report is in response to the council motion from the September 30, 2024 council meeting stating:

"THAT Council of the Town of The Blue Mountains receives for information the deputation of Rick Tipping, Resident Re: Request for Council to revoke Resort Condominium Tax Class By-law;

AND THAT Council direct staff to provide a staff report to investigate the process to revoke the Resort Condominium Tax Class Bylaw No. 2005-69 in line with the next census, and that the staff report will include the amount of lost revenue for 2025."

C. Background

At the Committee of the Whole Meeting on April 8, 2024, Report [FAF.24.028](#) was presented in response to a resolution of council after a deputation from Rick Tipping, Resident, Re: Resort Condominium Tax Classification. Report [FAF.24.028](#) recommended that Council invite the Municipal Property Assessment Corporation (MPAC) to present on the Resort Condominium Tax Classification.

Following that, [MPAC made a presentation](#) to council on August 26, 2024 indicating that the property tax class would be updated from the resort condominium tax class to commercial tax classification should the municipality opt out of the resort condominium tax class.

There was discussion around the legislation *O. Reg 282/98 section 14.2 (2)* which outlines criteria required to meet the Resort Condominium property tax class as shown below.

14.2 (1) The resort condominium property class applies within a single-tier or upper-tier municipality only if the council has passed a by-law opting to have the resort condominium property class apply within the municipality. O. Reg. 211/05, s. 1; O. Reg. 384/18, s. 7 (1).

(2) The resort condominium property class shall include land in respect of which all of the following criteria are satisfied:

1. The land is a unit or proposed unit in a condominium.
2. The unit is self-contained and furnished and is operated or managed in a manner to provide transient living accommodation for a fee or charge for minimum periods of less than 30 days.
3. The unit is located in a local municipality with a population of 10,000 or less, as reported by Statistics Canada in the most recent official census.
4. The unit is located within the boundaries of a resort which is operated year-round and which contains, or is adjacent to, a downhill ski complex and an 18-hole golf course.
5. A special Act requires the owner of the unit to be a member of a non-profit corporation without share capital that is established or continued by the special Act. One of the corporation's objects is the maintenance and management of the resort land for which, pursuant to the special Act and the corporation's by-laws, the corporation has responsibility. Under the special Act, the corporation has the power to pass by-laws controlling the use of that resort land. O. Reg. 211/05, s. 1.

The criteria in point 3 above specifies that the unit is located in a local municipality with a population of 10,000 or less, as reported by Statistics Canada in the most recent official census. In the latest census data from 2021, the population of the Town of The Blue Mountains was 9,390. The next census will be conducted in May 2026.

On September 16, 2024, Rick Tipping brought forth a further [deputation](#) which resulted in the following motion being passed at the September 30, 2024 council meeting:

“THAT Council of the Town of The Blue Mountains receives for information the deputation of Rick Tipping, Resident Re: Request for Council to revoke Resort Condominium Tax Class By-law;

AND THAT Council direct staff to provide a staff report to investigate the process to revoke the Resort Condominium Tax Class Bylaw No. 2005-69 in line with the next census, and that the staff report will include the amount of lost revenue for 2025.”

D. Analysis

Town staff have consulted with Peter Frise, Vice President – Policy and Consulting Services, Municipal Tax Equity Consultants Inc (Tax Policy Advisors for the County/Town) to address the concerns around the authority to revoke the optional tax class of Resort Condominium. The report (Attachment #1) outlines that **the authority to adopt or collapse an optional property class rests with the County and not the local Municipality.**

Regardless of whether an individual property meets the regulated criteria for inclusion in any optional class, **that class only exists for taxation purposes if the upper-tier (county) or single-tier municipality where the land is located has opted into the class.** Local area municipalities, including the Town of The Blue Mountains, have no independent authority to opt into, or hence collapse/discontinue any optional property class.

County of Grey By-Law 4229-05 provides the authority effective January 1, 2005 for the optional property class of Resort Condominium to apply for all municipalities in the County of Grey. The Town of The Blue Mountains is the only municipality with eligible properties. County Council could opt to have this class cease to apply if it wished to do so. This would be done by way of an amending by-law (not a repealing by-law) that provides for the go-forward opt-out.

Town staff are in communication with the Municipal Property Assessment Corporation (MPAC) to ensure accuracy in the properties within the Resort Condominium tax class and to ensure that the data remains accurate as changes occur with a property in the Resort Condominium tax class.

As next steps it is advised that the Town and the County work with MTE to conduct a thorough review of the properties and the consequences to the Town/County as well as the property owners should be considered when determining if the optional class should be revoked. Additionally, consultation with stakeholders such as the property owners and the Blue Mountain Village Association (BMVA) should be undertaken.

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

4. Quality of Life

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

F. Environmental Impacts

None.

G. Financial Impacts

For the 2024 roll return, MPAC has classified 1,127 properties within the Resort Condominium tax class. Based on the 2024 assessment and tax rates, the financial impact to the properties moving to the commercial class, **under the assumption that the assessment value remains the same**, would be \$2.3 million in taxation with 75% of those levies going to the Province for education taxes. Below is a breakdown of the shift of the taxes from the residential rate to the commercial rate broken down by the Town, County and School Boards.

Town	County	School	Total
\$282,260	\$285,563	\$1,729,846	\$2,297,669
12.3%	12.4%	75.3%	100.0%

It is really important to note that **the additional assessment cannot be considered as revenue** by the Town or the County. Additional weighted assessment would simply **shift the tax burden amongst all property owners (i.e. from the Residential Tax Base to the Commercial Tax Base)**. Noting that the revenue collected by the Town/County is determined based on the Tax Levy set, for 2024, this amount was \$21M and then spread out based on the tax ratios for each class.

A portion of the Town's levy will shift from all other taxpayers onto those newly placed in the commercial class. The result to all other taxpayers would be a 1.33% decrease to the residential rate, or a savings of \$29.56 to residential property owner with an average assessment of \$555,000 annually. The affected condominium properties would see their taxes double, an average condominium assessed at \$200,000 would see yearly taxes change from \$1,913 to \$3,844 (noting that this is largely due to the Education portion of taxes).

A portion of the County levy will shift out of other local area municipalities, into the Town of The Blue Mountains. The tax shifts will be negligible because they will be disbursed County-wide.

There will be a net increase in school taxes for these properties, with no impact on local school funding or revenue. Funding for education in Ontario is set through the Provincial Funding

Formula which is largely pupil based and it uses a series of calculations to determine the total funding amount for each school board. Municipalities provide part of core education funding through education property taxes, and the Province provides the remaining amount. The funding the Province provides ensures that each school board receives its full funding entitlement.

H. In Consultation With

Monica Quinlan, Director of Corporate and Financial Services
Peter Frise, Vice President – Policy and Consulting Services, Municipal Tax Equity Consultants Inc.
Mary Lou Spicer, Director of Finance/County Treasurer

I. Public Engagement

The topic of this Staff Report has not been the subject of a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. However, any comments regarding this report should be submitted to Monica Quinlan, Director of Corporate and Financial Services mquinlan@thebluemountains.ca.

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J. Attached

1. Memo from MTE - Resort Condominium Tax Class Authority

Respectfully submitted,

Monica Quinlan
Director of Corporate and Financial Services

For more information, please contact:
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Report Approval Details

Document Title:	FAF.24.141 Resort Condominium Tax Classification.docx
Attachments:	- FAF.24.141 - Att 1 Resort Condominium Tax Class.pdf
Final Approval Date:	Nov 29, 2024

This report and all of its attachments were approved and signed as outlined below:

No Signature - Task assigned to Amy Moore was completed by workflow administrator Amy Moore

Amy Moore - Nov 29, 2024 - 9:25 AM

Monica Quinlan - Nov 29, 2024 - 9:34 AM