

Tax rates should have dropped

You might want to re-examine the figures for your article on King's property taxes. You are giving your readers the false impression that their property taxes will be flat this year. In fact, the average King homeowner is facing a 7.5% increase in their property taxes because of the increase in MPAC assessments (ie the assessed value of everyone's home).

The proposed budget introduced to council in January provided for a very reasonable 2.3% increase in spending. This would have required the collection of \$25.7M from King residents for 2017. If MPAC assessed values had stayed constant, the property tax rate would have increased slightly to fund the budget. However, MPAC assessed values finalized this spring increased by 7.5% in line with the heated GTA housing market. As a result, the property tax rate set by council should have dropped to fund the January proposed budget of \$25.7M.

Instead, council decided this week to keep the tax rate flat at 0.0093% and collect \$27.9M from King residents, \$2.2M more than the \$25.7M proposed in January. The extra \$2.2M collected from King residents this year is being transferred to the reserve fund. While planning for a rainy day is always a good idea, the reserve funds were already very sufficient before the transfer. Council could have made the prudent decision and dropped its residential rate to account for increases in assessed values similar to the City of Toronto and other municipalities. Instead, their decision will cost King residents dearly when they open their final tax bills this summer.

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