



SPECIAL LEVIES PUBLIC HEARING 2024

Special Levies and how they work.

RURAL MUNICIPALITY OF RIDING
MOUNDATIN WEST

DISCUSSION OUTLINE

Introduction
RM Presentation
Presentation from Residents
Discussions
Closing Remarks

**SPECIAL
SERVICE
LEVIES**



Special service 312

If approved by by-law, a municipality may provide, as a special service to all or part of a municipality, one or more of the following:

- (A) HIGHWAY CONSTRUCTION AND MAINTENANCE;
- (B) SNOW REMOVAL AND DUST CONTROL;
- (C) TREE PLANTING OR CONTROL OF A PLANT OR TREE DISEASE;
- (D) GRASS AND WEED CUTTING AND CONTROL;
- (E) THE COLLECTION AND TRANSPORTATION OF WASTE OR RECYCLABLE MATERIALS;
- (F) INCENTIVES TO HEALTH CARE PROFESSIONALS TO PRACTISE THEIR PROFESSIONS IN THE MUNICIPALITY;
- (G) RECREATION SUPPORT SERVICES;
- (H) STREET LIGHTING;
- (I) FIRE AND POLICE PROTECTION SERVICES;
- (I.1) EMERGENCY MANAGEMENT SERVICES;
- (J) BUSINESS IMPROVEMENT AREA SERVICES;
- (K) DRAINAGE CONSTRUCTION AND MAINTENANCE;
- (L) MAINTENANCE OR OPERATION OF A LOCAL IMPROVEMENT.

WHY IS THE MUNICIPALITY CONSIDERING SPECIAL LEVIES NOW?



- NUMEROUS COMPLAINTS HAVE BEEN RECEIVED THAT THE TAXES ARE TOO HIGH AND WHY IS THERE SUCH A DISPARITY IN WHAT ONE PROPERTY PAYS IN COMPARISON TO THEIR NEIGHBOURING PROPERTY.
 - TAXES ARE REQUIRED TO PROVIDE SERVICES TO THE PROPERTY, ALL PROPERTIES RECEIVE THE SAME SERVICES SO WHY WOULD ONE PAY MORE THAN THE OTHER?
-

Taxes are levied according to the Assessment multiplied by the Mill Rate.

Assessment values are set based on the market value of the land and/or improvements.

As property values increase so does the assessment!

- *Ex: in 2020-21 Farmland values increased by 35%, therefore in the 2023 revaluation year (values based on April 1, 2021) the assessments increased by 35%.*

Also, any type of improvements done to the property as in land clearing, addition of a shed, grain bins, garage, etc. increases the value of the property and thus the assessment.

**TAXES ARE
LEVIED
ACCORDING TO
THE
ASSESSMENT
MULTIPLIED BY
THE MILL
RATE.**



DOES THE MUNICIPALITY SET THE ASSESSMENT?

PROPERTY ASSESSMENT

Assessment Services is responsible for the assessment of all real and personal property in the province...

Property is assessed at market value in accordance with The Municipal Assessment Act. Market value is the most probable selling price of the property had it been sold by a willing seller to a willing buyer. Regular reassessments ensure that property assessments keep pace with real estate market conditions, and taxes are distributed fairly to property owners. Re-assessments are updated every 2 years.



SPECIAL SERVICE LEVIES

How can these fluctuations and tax disparities be fixed?

THE PROVINCE OF MANITOBA HAS IN LEGISLATION SOME LIMITED TAX TOOLS THAT CAN BE USED THAT ARE KNOWN AS ‘SPECIAL SERVICE LEVIES’. SPECIAL SERVICES LEVIES REDUCE THE MILL RATE AND REVERT THAT PORTION OF THE MILL RATE TO A FLAT RATE

WHAT IS A SPECIAL SERVICE LEVY?

Is a tool the Municipality can use to help distribute taxes a little more fairly across the board.



**RURAL MUNICIPALITY OF RIDING
MOUNDATIN WEST**

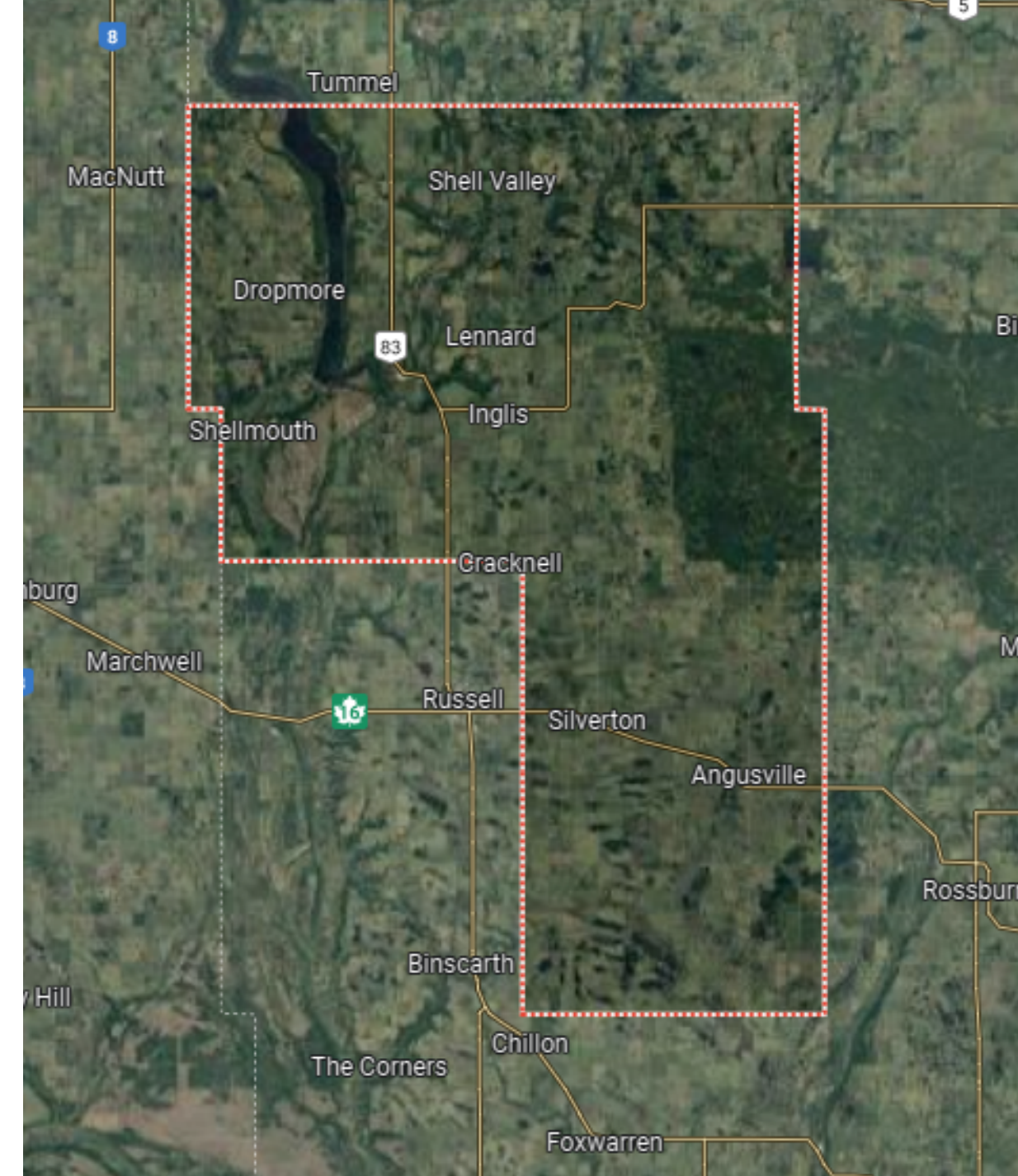
IN 2021, COUNCIL IMPLEMENTED THE PROTECTIVE SERVICES SPECIAL LEVY'

where the taxes required to cover the expenditures changed from a Mill Rate multiplied by Assessment basis to a Special Services Levy of approximately \$50.00/tax roll number. It was justified in that every property has the same fire and emergency services available to it, so why wouldn't they pay the same in tax dollars towards that. The affect it had on individual property tax rolls varied - some of the highest assessed dropped from \$150. to \$50. and some of the lowest assessed increased from \$0.86 to \$50.

LESSONS LEARNT

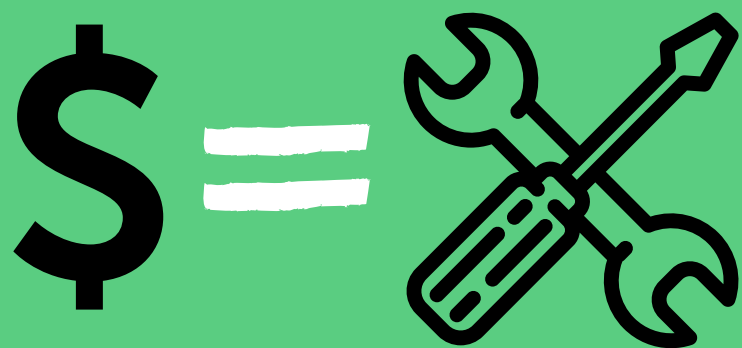
A few things We learnt in the process:

- a) all exempt properties were taxed (included cemeteries)
- b) Roll numbers with more than one dwelling unit on it were only charged this rate once.
- c) Roll numbers that have numerous legal land descriptions on it, were only charged this rate once.



Effects will be seen on all properties, the biggest effect will be on the Higher and Lower Assessed Properties.

Everyone has access to the same services so everyone should be contributing to them.



WHY DO WE NEED TO CHANGE? WHO WILL IT EFFECT?

BOTH SPECIAL SERVICE LEVIES AND MILLRATE WILL BE USED TO CALCULATE TAXES, HOWEVER, THE MILLRATE WILL BE LOWERED TO REFLECT THE NEW LEVIES.

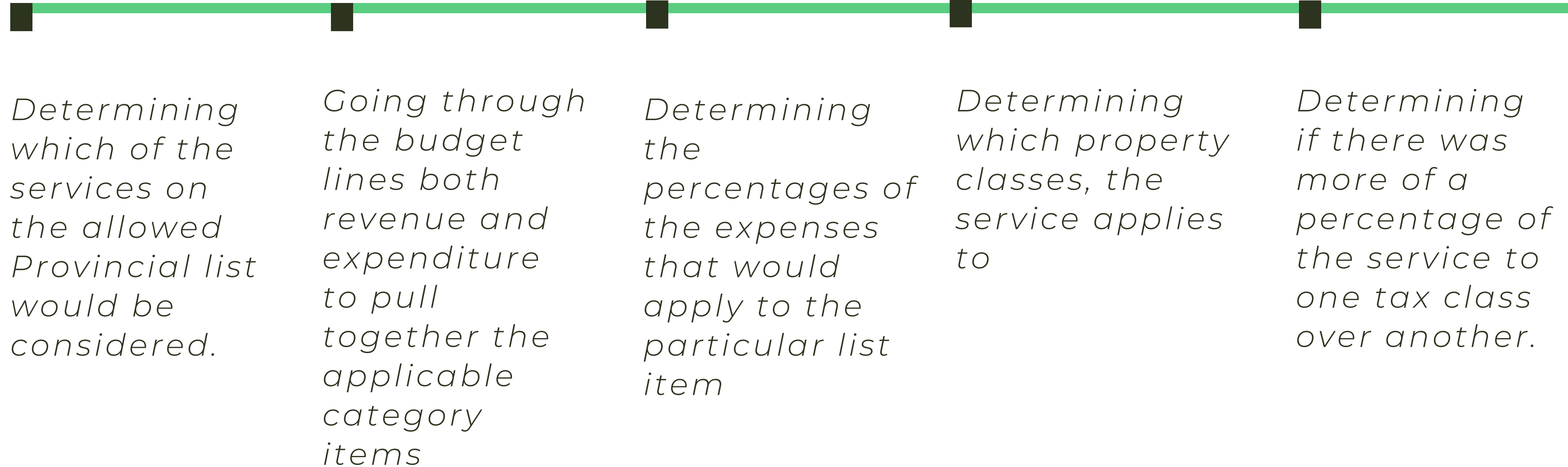
SPECIAL SERVICE LEVY
LIST APPLICABLE TO RM.

- HIGHWAY MAINTENANCE
- SNOW REMOVAL
- DUST CONTROL
- GRASS AND WEED CUTTING
- TRANSPORTATION AND COLLECTION OF WASTE
- TRANSPORTATION AND COLLECTION OF RECYCLEABLES
- RECREATION SUPPORT SERVICES
- STREET LIGHTING
- FIRE PROTECTION SERVICES
- EMERGENCY MANAGEMENT SERVICES
- DRAINAGE MAINTENANCE

**THERE IS A LIMITATION
TO THE TYPES OF
SERVICES A SPECIAL
LEVY ALLOWED**

SPECIAL SERVICE
LEVY WOULD COVER
ABOUT 50% OF
MUNICIPAL EXPENSES

THE PROCESS TO GET TO THE SPECIAL SERVICES LEVY IS COMPLEX

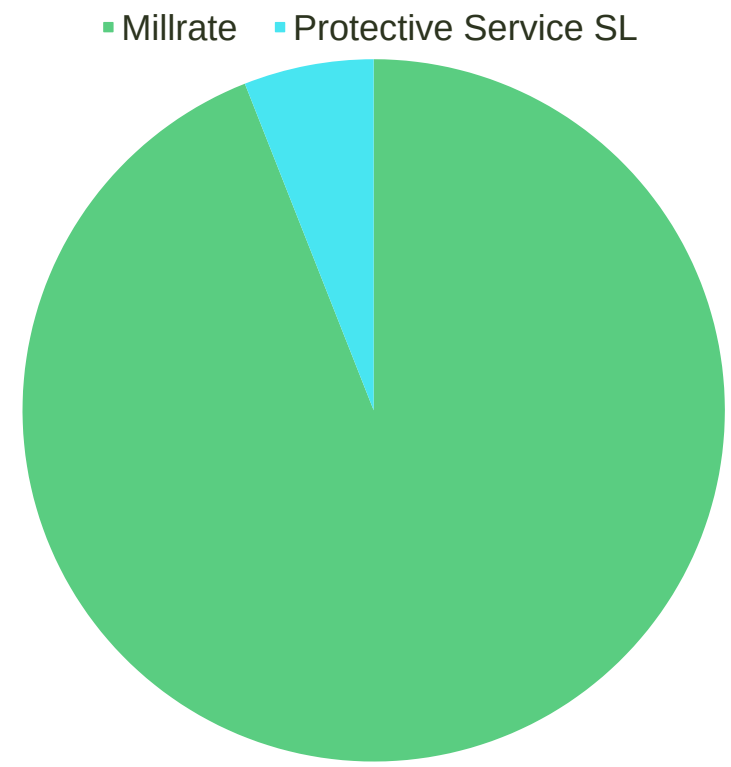


COUNCIL DIRECTED ADMINISTRATION TO PROVIDE INFORMATION BACK ON 3 CATEGORIES THAT SPECIAL SERVICE LEVIES COULD APPLY TO:

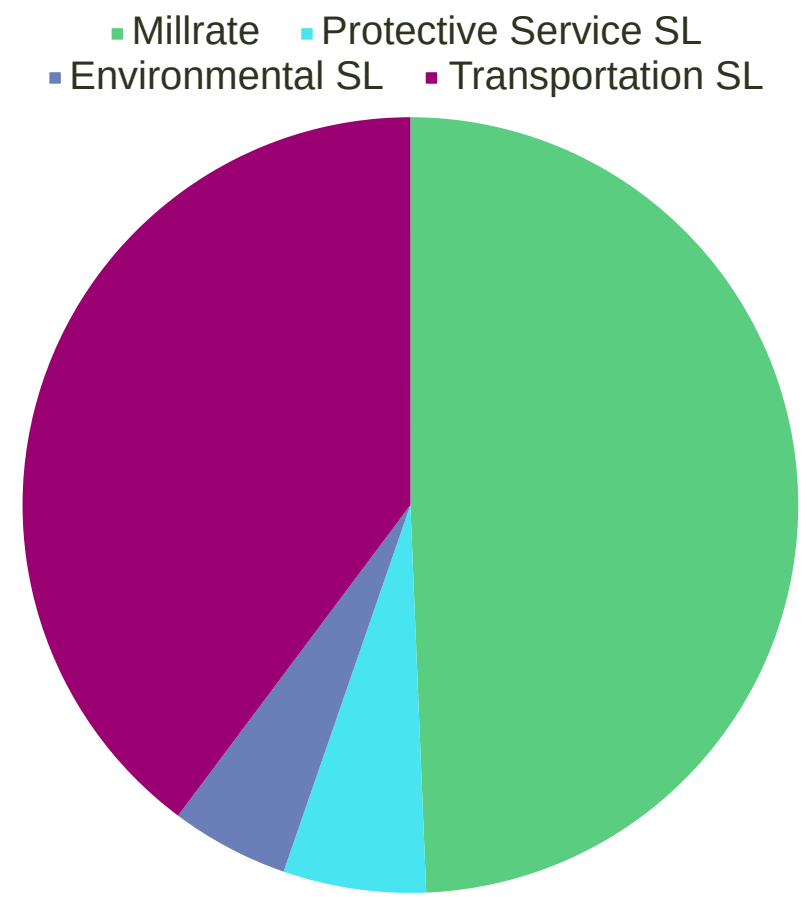
- PROTECTIVE SERVICES
- ENVIRONMENTAL SERVICES
- TRANSPORTATION SERVICES

Tax Calculation Comparisons

Current Tax Calculation



Proposed Tax Calculation



PROTECTIVE SERVICES

Protective Services Levy reduces At-Large mill rate by .965 mills.

All expenses items in this category applied and as this service is for all property classes, all taxable and grant-in-lieu properties would be included.

It was determined that each dwelling unit over one on a tax roll should also pay this levy, and further

That those tax rolls that have more than one legal land description consolidated should pay additionally for each legal land description over one. Ex:

- *Roll No. 2000 Lot 1, 2, & 3 on it would pay the Special Levy only once*
- *Roll No. 2001 has Lot 4, Roll No. 2002 – has lot 5, and Roll No. 2003 – has lot 6 – these three would pay the Special Levy once each for a total of three.*

ENVIRONMENTAL SERVICES

Environmental Services Levy reduces At-Large mill rate by .798 mills

The expenses that pertain to the Landfills and Recycling were included in the expense.

Calculations and deductions were taken for other revenue received to calculate the net amount required from taxes to cover the balance of these applicable expenses.

The same basis as to how this amount would be divided out is the same as set out in the Protective Services.

TRANSPORTATION SERVICES

Transportation Services Levy reduce the Rural Area mill rate by 6.448 mills

The expenses that apply to Roadway Maintenance, Snowplowing, Mowing and Drainage were calculated. Deductions from other Revenues of Custom Work, Sale of Goods for Culverts, land leases, mining licenses, provincial grant for roadway maintenance, then resulted in the net amount required from taxes.

Discussions expanded to the fact that one tax roll could have more than one tax class

Ex: a tax roll has a residential tax class and a farmlands tax class and occasionally a commercial tax class. It was agreed that each tax class bares a different Transportation wear and tear on the roads (Residential Tax Class is predominantly light vehicles, Farmlands Tax Class is heavy vehicles, Commercial Tax Class is either Heavy vehicles or numerous light vehicles). In consideration of that it was agreed that Residential Class properties would then pay 50% of the determined Special Levy.

So the Transportation Services Special Levy would be applied to each Tax Roll on the basis of:

- a) once per Tax Class, b) additionally for each dwelling unit over one, c) additionally for each legal land description over one and keeping in mind that Residential Tax Class Special Levy is 50% of the other tax classes.

RURAL MUNICIPALITY OF RIDING MOUNTAIN WEST
PROTECTIVE SERVICES - SPECIAL LEVY
SCHEDULE A - Proposal

A. Proposed Special Service:

The Rural Municipality of Riding Mountain West provides Protective Services for all ratepayers that include Fire Protection, 9-1-1 and Emergency Management. Council is proposing to continue the Protective Services - Special Levy for the years 2024 to 2027 inclusive, for these costs, that will continue to shift the taxation from the general municipal at-large mill rate to a special flat rate on the specific properties in Section B, below.

B. Special Services District:

The Protective Services Special Levy under this proposal will be levied on all Taxable and Grant-in-Lieu properties within the Rural Municipality of Riding Mountain West, as follows:

- a) On every Tax Roll Number;
- b) On every additional dwelling unit over one (1) on a Tax Roll Number;
- c) On every additional legal land description over one (1) on a Tax Roll Number
- d) All exempt properties remain exempt from this Special Services Levy

C. Potential Taxpayers under the Protective Services Special Levy Proposal:

Potential taxpayers are all properties described in Section B above and specifically as identified in 'Schedule B' attached hereto.

D. Method of Calculating the Protective Services Special Levy:

The method of taxation to be used to calculate the Protective Services Special Levy will be based on an amount for each qualifying property as listed in Section B above. Based on the 2024 Preliminary Assessment Roll the number of units included in the Protective Services Special Levy will be a total of 4,366 calculated as follows on every Taxable and Grant-in-Lieu Property:

- a) Every Tax Roll Number – 3,697
- b) Every Additional dwelling unit over one (1) on a Tax Roll - 111
- c) Every Additional legal land description over one (1) on a Tax Roll - 558

E. Estimated Cost of the Protective Services Special Levy and Resulting Rate:

The estimated cost of the Protective Services for 2024 is \$225,245.
The number of units that this estimated cost is divided by is 4,366
The flat rate per unit is then $\$225,245 / 4,366 = \51.59

Estimated Cost Increases for the year 2025 is 3% over the 2024 rate = \$53.14
Estimated Cost Increases for the year 2026 is 3% over the 2025 rate = \$54.73
Estimated Cost Increases for the years 2027 is 3% over the 2026 rate = \$56.38

F. Excess Funds over Actual Expenses:

Any excess funds not required for the Protective Services in each of the years 2024 to 2027, inclusive will be divided and transferred to Reserve Funds as follows:

- 50% - Inglis Fire Reserve Fund
- 35% - Angusville Fire Reserve Fund
- 15% - Wells Reserve Fund

Glenda Lemcke, Chief Administrative Officer - Date: December 5, 2023.

RURAL MUNICIPALITY OF RIDING MOUNTAIN WEST
ENVIRONMENTAL HEALTH SERVICES - SPECIAL LEVY

SCHEDULE A - Proposal

A. Proposed Special Service:

The Rural Municipality of Riding Mountain West provides a Nuisance Grounds that is open to all ratepayers for taking the accepted wastes to in Inglis and jointly with Russell, and also provides numerous recycling receptacles throughout the municipality that are open to all ratepayers to deposit their recycleables at. Council is proposing to implement an Environmental Health Services Special Levy for the years 2024 to 2027 inclusive, for the Nuisance Grounds and Recycling costs, that will shift the taxation from the general municipal at-large mill rate to a special flat rate on the specific properties in Section B, below.

B. Special Services District:

The Environmental Health Services Special Levy under this proposal will be levied on all Taxable and Grant-in-Lieu properties within the Rural Municipality of Riding Mountain West, as follows:

- a) On every Tax Roll Number;
- b) On every additional dwelling unit over one (1) on a Tax Roll Number;
- c) On every additional legal land description over one (1) on a Tax Roll Number
- d) All exempt properties remain exempt from this Special Services Levy

C. Potential Taxpayers under the Environmental Health Services Special Levy Proposal:

Potential taxpayers are all properties described in Section B above and specifically as identified in 'Schedule B' attached hereto.

D. Method of Calculating the Environmental Health Services Special Levy:

The method of taxation to be used to calculate the Environmental Health Services Special Levy will be based on an amount for each qualifying property as listed in Section B above. Based on the 2024 Preliminary Assessment Roll the number of units included in the Nuisance Grounds Special Levy will be a total of 4,366 calculated as follows on every Taxable and Grant-in-Lieu Property:

- a) Every Tax Roll Number – 3,697
- b) Every Additional dwelling unit over one (1) on a Tax Roll - 111
- c) Every Additional legal land description over one (1) on a Tax Roll - 558

E. Estimated Cost of the Environmental Health Services Special Levy and Resulting Rate:

The estimated cost of the Environmental Health Services costs for 2024 is \$186,230.
The number of units that this estimated cost is divided by is 4,443 (see Section D)
The flat rate per unit is then $\$186,228 / 4,366 = \42.65 .

Estimated Cost Increases for the year 2025 is 3% over the 2024 rate = \$43.93
Estimated Cost Increases for the year 2026 is 3% over the 2025 rate = \$45.25
Estimated Cost Increases for the years 2027 is 3% over the 2026 rate = \$46.61

F. Excess Funds over Actual Expenses:

Any excess funds not required for the Environmental Health Services expenses in each of the years 2024 to 2027, inclusive, will be transferred to an Environmental Health Services Reserve Fund.

Glenda Lemcke, Chief Administrative Officer - Date: December 5, 2023

RURAL MUNICIPALITY OF RIDING MOUNTAIN WEST
TRANSPORTATION SERVICES - SPECIAL LEVY

SCHEDULE A - Proposal

A. Proposed Special Service:

The Rural Municipality of Riding Mountain West provides Transportation Services for all ratepayers that include Highway construction and maintenance, Snow Removal, Grass and Weed cutting and control; Drainage construction and maintenance. Council is proposing to establish a Transportation Services Special Levy for the years 2024 to 2027 inclusive, for these costs, that will shift the taxation from the general municipal Rural Area mill rate to a special flat rate on the specific properties in Section B, below. Established L.U.D.'s are exempt from the Rural Area mill rate as these services are charged to them based on a custom work rate.

B. Special Services District:

The Transportation Services Special Levy under this proposal will be levied on all Taxable and Grant-in-Lieu properties within the Rural Area of the Rural Municipality of Riding Mountain West, as follows:

- a) On every Tax Roll Number;
- b) On every additional dwelling unit over one (1) on a Tax Roll Number;
- c) On every additional legal land description over one (1) on a Tax Roll Number;
- d) On every Tax Class over one that exists on a Tax Roll Number;
- e) All exempt properties remain exempt from this Special Services Levy

C. Potential Taxpayers under the Transportation Services Special Levy Proposal:

Potential taxpayers are all properties described in Section B above and specifically as identified in 'Schedule B' attached hereto.

D. Method of Calculating the Transportation Services Special Levy:

The method of taxation to be used to calculate the Transportation Services Special Levy will be based on an amount for each qualifying property as listed in Section B above. Residential Class properties will pay 50% of the calculated amount as it is felt that Residential type properties do not put as high a demand on the Transportation Services category as all other property tax classes do. Based on the 2024 Preliminary Assessment Roll the number of units included in the Transportation Special Services Levy will be calculated as follows on every Taxable and Grant-in-Lieu Property:

- a) All Residential Classed Tax Rolls – 1,184 @ 50%
- b) Every Additional Dwelling Unit over one on a Tax Roll – 103 @ 50%
- c) Every Residential Tax Class with Additional legal land description over one (1) on a Tax Roll - 234 @ 50%
- d) All Property Classed Tax Rolls excluding a) above – 2,659
- e) All Tax Rolls excluding c) above with Additional legal land descriptions over (1) on a Tax Roll - 166

E. Estimated Cost of the Transportation Services Special Levy and Resulting Rate:

The estimated cost of the Transportation Services for 2024 is \$1,453,280
The number of units that this estimated cost is divided by is:
- Residential properties – a) 1,184 + b) 103 + c) 234 = 1,521 @ 50%
- All Other properties – d) 2,659 + e) 166 = 2,825

The flat rate per unit is then $\$1,453,280 / 3,585.50 = \405.32
Residential Properties will pay this rate at 50% = \$202.66
All Properties other than Residential Properties will pay the rate of \$405.32

Estimated Cost Increases for the year 2025 is 3% over the 2024 rate = \$417.48
Residential Properties will pay this rate at 50% = \$208.74
All Properties other than Residential Properties will pay the rate of \$417.48

Estimated Cost Increases for the year 2026 is 3% over the 2025 rate = \$430.02
Residential Properties will pay this rate at 50% = \$215.01
All Properties other than Residential Properties will pay the rate of \$430.02

Estimated Cost Increases for the years 2027 is 3% over the 2026 rate = \$442.92
Residential Properties will pay this rate at 50% = \$221.46
All Properties other than Residential Properties will pay the rate of \$442.92

F. Excess Funds over Actual Expenses:

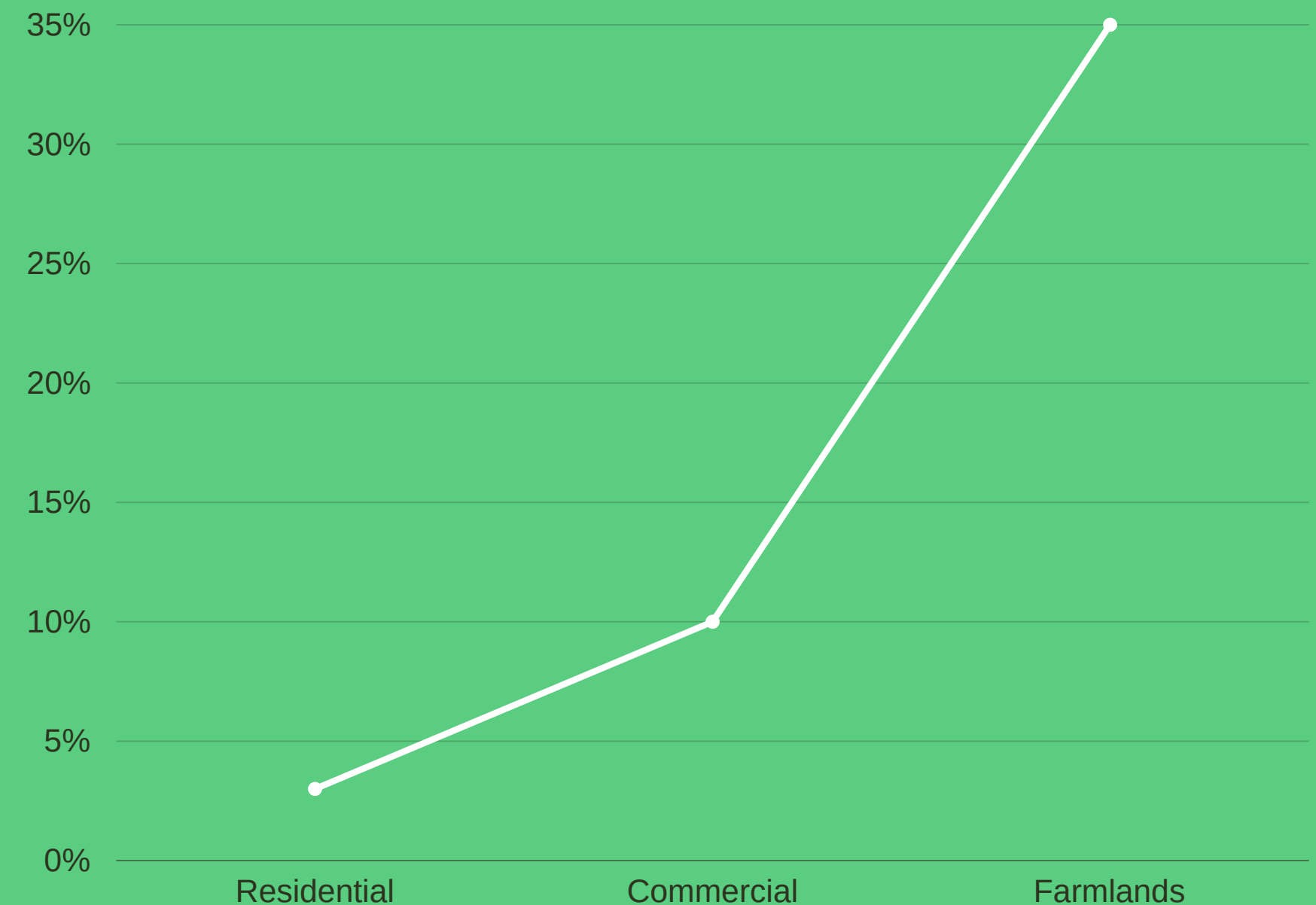
Any excess funds not required for the Transportation Services in each of the years 2024 to 2027, inclusive will be transferred to the Machinery Repair and Replacement Reserve Fund

Glenda Lemcke, Chief Administrative Officer - Date: December 5, 2023

IN CONCLUSION

Special Service Levies is the only Tax Tool available to mitigate tax variances caused by Assessment values. It is a deterrent to property owners to improve their properties through the current system of Mill Rate x Assessment as each time a property is improved the assessment goes up and so then do the taxes.

IN 2023 THE REVALUATION RESULTED IN THE FOLLOWING ASSESSMENT CHANGES



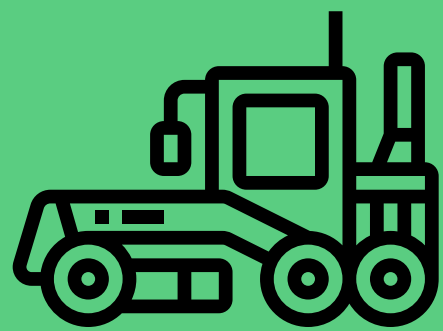
THESE TAX SHIFTS WILL MAKE SOME HAPPY AND SOME NOT



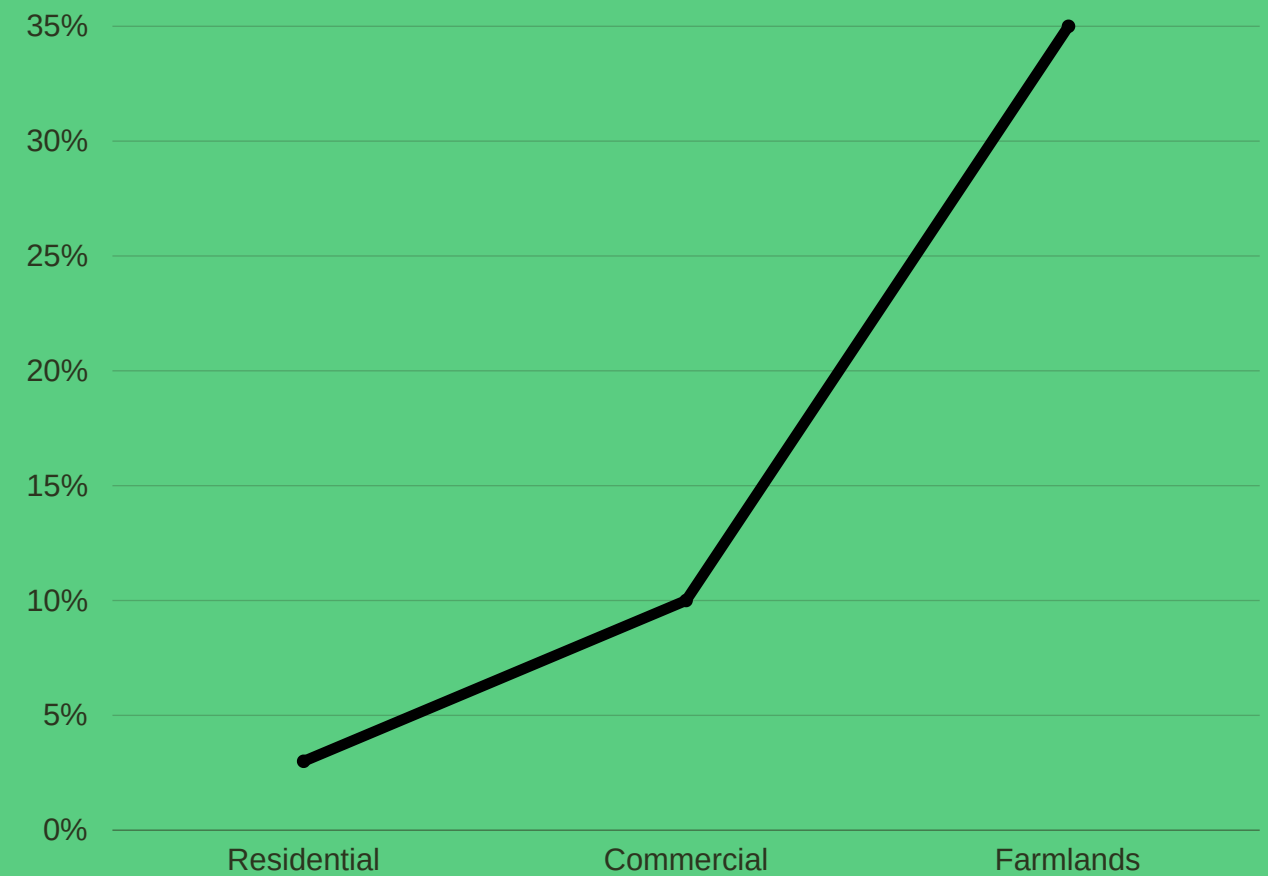
Protective
Services



Environmental
Services



Transportation
Services



2025 Assessment update that will reflect the April 1, 2023 market values does see another 35-45% increase to farmlands

**BUT IT STILL COMES
DOWN TO PAYING THE
SAME TAX DOLLARS
FOR THE SAME
MUNICIPAL SERVICES**

WHAT NEXT?

Council vote on a second reading of the bylaw.

IF COUNCIL PROCEEDS WITH SECOND READING?

The Bylaw will be submitted to the Municipal Board for approval.

WHAT IF I WANT TO OBJECT?

At the same time all persons who objected to the proposal, at the conclusion of the hearing must be given notice and be informed of their right to object to the Municipal Board

WHAT NEXT?

If 25, or 10% of the potential taxpayers object, the Municipal Board must hold a public hearing before making an order to either approve the bylaw as submitted, with or without conditions; refuse to approve the bylaw; or require that the bylaw be amended



QUESTIONS?



GET IN TOUCH WITH US

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