

Combined Tax Base and Population Calculation Method

This approach determines the amount to be raised in each jurisdiction based on a combination of assessed values and population. The purpose of the basing a portion on population is to moderate the wide differences in residential property values around the province. Compared to an approach based only on assessed values, this approach reduces some of the amounts to be paid in high value areas and re-distributes them to lower valued areas.

The approach entails the following steps:

Tab 1:

- a. Determine the amount to be recovered province wide. This is 50% of the local police costs for all municipalities under 5,000 and unincorporated areas (\$29,546,986). (Police costs are based on the number of members multiplied by the average cost per member for municipalities 5,000 to 15,000).
- b. Determine the shares of the total recovery for each property class. Do this by calculating a residential tax rate based on total converted values for all of the areas. Use the residential tax rate to determine the rates for other property classes using the standard Hospital Base class multiples. Multiply the residential rate by the unconverted residential assessment total and divide by 1,000. This is the "residential share".
- c. Divide the share for residential by 2. Divide one half of the residential share by the total population covered to arrive at a per capita amount. Determine the tax rate required to raise the other half of the residential amount (the 50% residential tax rate).
- d. At this point, there is a tax rate for each non-residential class (step b), a per capita amount (step c) and a 50% residential tax rate (step c).

Tab 2:

- a. Allocate a share of the total amount to be recovered to each jurisdiction (municipality and electoral area).
The allocation for each jurisdiction will be the sum of: the per capita amount multiplied by the jurisdiction's population, and, the tax rates for each class multiplied by the unconverted assessed value for its class divided by 1,000.

Tab 3:

- a. Determine the local tax rates needed to raise the allocated amount in each jurisdiction. Do this on the basis of converted values, which will determine a residential tax rate.
 - b. Determine the amount for an average value single family dwelling: multiply the resulting residential rate by the average home value, divided by 1,000
3. Note: I have used 2001 population data because we do not have estimates of population increases in the electoral areas post-census. New population figures will impact these calculations in two ways: First it is expected that a number of municipalities will exceed 5,000 population in the 2006 census. The police costs, population and assessed values associated with these municipalities will be removed from the calculation. Second, different population figures for the remaining jurisdictions will result in changes to the per capita amount and the allocation to individual jurisdictions.

A. Calculation of residential tax rate on converted assessment

	Total Recovery Amount	Total Converted Assessment	Res Tax Rate	Check rate:
	29,546,986	9,375,144,540	0.3152	29,546,986

B. Determine Residential and Non-Residential shares to be Raised

Class	Uncovered values	Tax rate based on Hospital Multiples	Recovery Amount
1	57,978,028,648	0.3152	18,272,529
2	3,569,357,909	1.1031	3,937,253
4	1,688,669,717	1.0716	1,809,501
5	1,647,664,654	1.0716	1,765,562
6	3,456,093,666	0.7721	2,668,620
7	958,630,542	0.9455	906,375
8	220,695,111	0.3152	69,555
9	373,110,986	0.3152	117,591
total	69,892,251,233		29,546,986

C. Residential portion: 50% on assessment and 50% on per capita

total residential portion:	18,272,529
50% on assessment	9,136,264
50% on populaion	9,136,264

Assessment portion amount to be raised	9,136,264
uncnv. res. tax base	57,978,028,648
tax rate	0.1576
check:	9,136,264

Per capita portion amount to be raised	9,136,264
total population	592,306
per capita amount	15.42
check:	9,136,264

D. Summary of per capita amount and tax rates by class to use in calculation of amounts by jurisidiction

Per capita amount	15.42
Tax rates by class:	
1	0.1576
2	1.1031
4	1.0716
5	1.0716
6	0.7721
7	0.9455
8	0.3152
9	0.3152