

TO: Mayor Avis & Members of Council
FROM: Laurie Lindberg, Treasurer
DATE: April 4, 2018
SUBJECT: High Tonnage Railway Right-of-Way Information

BACKGROUND

In response to municipal requests, the Province initiated a review of the property taxation of railway rights-of-way property taxation in 2016. As part of the review, the Province held consultations with municipalities (working group) and representatives of the railway industry and of which the Town of Fort Frances has been an active participant.

In the announcement on March 28th, the Province will further reduce rate inequities by increasing the lowest property tax rates on mainline railway rights-of-way to a minimum of \$110.00 per acre for 2018. In 2016 the municipal rate was \$35 per acre and increased to \$80 per acre for 2017. The additional revenue will be reflected in the 2018 General operating budget.

In addition, the Province has announced that municipalities will have the option to increase rates per acre on high-tonnage rail lines based on a new adjusted tax rate schedule. Details of the tax rate schedule will be communicated to municipalities and the rail industry in the spring.