

TO: Administration & Finance Executive Committee
FROM: Laurie Lindberg, Treasurer
DATE: April 13, 2018
SUBJECT: High-Tonnage Rail Lines Revenue Request

BACKGROUND

On April 3, 2018, the Ministry of Finance advised of certain taxation and assessment measures that the Province is undertaking as part of the 2018 Ontario Budget and of which included the new property tax rate of \$110 per acre on mainline railway rights-of-way for 2018 as well as new flexibility for high-tonnage rail lines.

The Province is responding to municipalities' concerns regarding the revenue they receive in respect to high-tonnage rail lines. High-tonnage rail lines will initially be identified as those with at least 70 million gross ton-miles per mile route annually. The increase tax rate will be \$300 per acre on these high-tonnage rail lines.

The letter stated that municipalities that wish too utilize the increased rate should pass a formal Council resolution requesting that the Minister consider the high-tonnage rate for individual railway right-of-way properties that meet the high-tonnage threshold. The formal Council resolution must be submitted to the Minister of Finance on or before June 29, 2018. Pending verification of properties that meet the high-tonnage threshold, the high-tonnage tax rates would be implemented through a Minister's regulation.