

General Letter



City of Kingston

216 Ontario Street
Kingston, Ontario
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www.cityofkingston.ca

where history and innovation thrive

2007-08-30

TO: ALL MUNICIPALITIES IN ONTARIO WITH A POPULATION OVER 50,000

**RE: MOTION (1) – AUGUST 14, 2007 MEETING OF KINGSTON CITY COUNCIL –
STUDENT LEVY**

I would confirm that at the regular meeting of Kingston City Council, held on August 14, 2007, the following Motion (1) was approved and as indicated in the Motion, the council of the Corporation of the City of Kingston is requesting that AMO pursue this matter with the Province of Ontario:

(1) Moved by Councillor Foster

Seconded by Councillor Glover

WHEREAS land owned, used and occupied solely by public education institutions, as defined in the Education Act, are exempt from paying municipal property taxation; and,

WHEREAS universities, colleges, and community colleges are included in the defined exempt properties; and,

WHEREAS the universities, colleges, and community colleges attract students to attend their institutions because of the quality of education offered, learning experiences and municipal amenities to enhance the experience; and,

WHEREAS municipalities provide services to the public education institutions and to the students; and,

WHEREAS the province recognizes that these services are provided to the institutions and that the institutions merit partial support by the community; and,

WHEREAS the province permits municipalities to levy a maximum \$75 for each full time student at each public education institution as a payment-in-lieu of taxes, per Section 323 of the Municipal Act, 2001; and,

WHEREAS the payment-in-lieu of tax levy has not been increased since 1987 when it was raised from \$50 to \$75; and,

WHEREAS student populations have increased dramatically since 2000; and,

WHEREAS, in Kingston, the maximum payment-in-lieu of tax for 2007 is \$1,544,400 (20,592 students @ \$75 ea), which represents just under 25% of the amount of taxes that would be levied (\$6,288,319) if the property had been classified and taxed pursuant to its use; and,

WHEREAS other properties that similarly support the community and thus also provide payments-in-lieu of taxation pay full taxes calculated by multiplying the appropriate tax rate and assessment; and,

WHEREAS the City's primary source of revenue is limited to property taxes and provincial grants; and,

WHEREAS the province, in its role of setting policies that affect municipalities, must make an effort to not constrain or arbitrarily reduce revenues that are derived from the assessment of property;

NOW THEREFORE BE IT RESOLVED THAT the Province of Ontario be requested to increase the per student levy at rated public educational institutions each year, pursuant to Section 323 of the Municipal Act, 2001, beginning in 2008 to an amount equivalent to the taxes that would be levied if the property was taxable;

AND BE IT FURTHER RESOLVED THAT this resolution be forwarded to all Ontario municipalities that are fortunate to have universities, and colleges of applied arts and technology within their municipality as well as to the Association of Municipalities of Ontario (AMO) for support and AMO be requested to pursue this matter with the Province on Council's behalf.

CARRIED UNANIMOUSLY

Yours truly,

Carolyn Downs
City Clerk

File No. C12

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Corporate Services

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