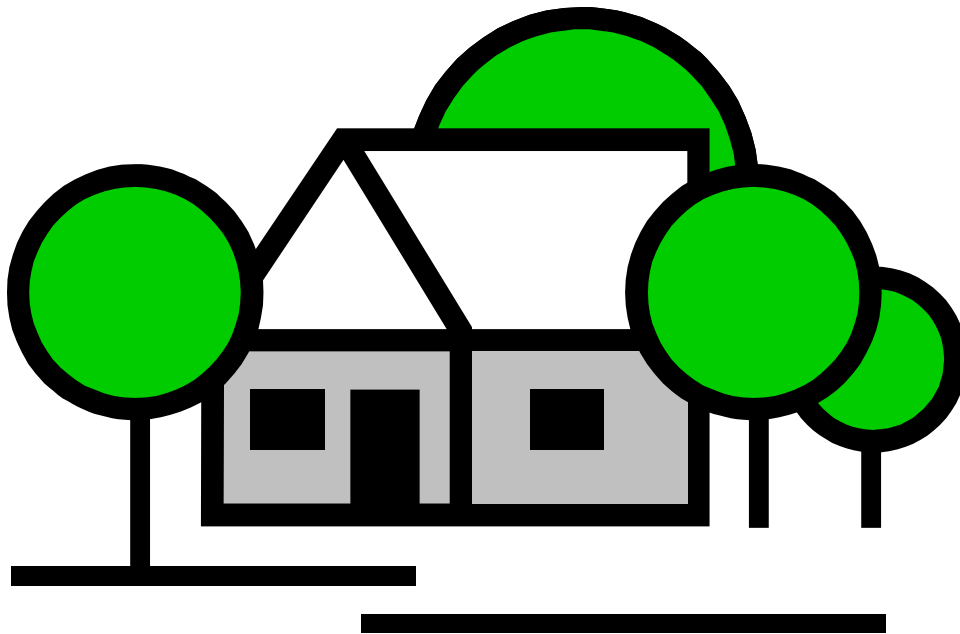


2005 Winnipeg Capital Region

Property Taxes and Utility Charges Survey



December 20, 2005

Prepared by:

Adrienne Batra, Provincial Director
Canadian Taxpayers Federation - Manitoba

About the Canadian Taxpayers Federation

The Canadian Taxpayers Federation (CTF) is a federally incorporated, non-profit and non-partisan, citizen advocacy organization dedicated to lower taxes, less waste and accountable government. The CTF was founded in Saskatchewan in 1990 when the Association of Saskatchewan Taxpayers and the Resolution One Association of Alberta joined forces to create a national taxpayers organization. Today, the CTF has over 72,000 supporters nation-wide.

The CTF maintains a federal office in Ottawa and offices in the five provincial capitals of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. In addition, the CTF has a Centre for Aboriginal Policy Change in Calgary dedicated to monitor, research and provide alternatives to current aboriginal policy and court decisions. Provincial offices and the Centre conduct research and advocacy activities specific to their provinces or issues in addition to acting as regional organizers of Canada-wide initiatives.

CTF offices field hundreds of media interviews each month, hold press conferences and issue regular news releases, commentaries and publications to advocate the common interest of taxpayers. The CTF's flagship publication, *The Taxpayer* magazine, is published six times a year. An issues and action update called *TaxAction* is produced each month. CTF offices also send out weekly *Let's Talk Taxes* commentaries to more than 800 media outlets and personalities nationally.

CTF representatives speak at functions, make presentations to government, meet with politicians, and organize petition drives, events and campaigns to mobilize citizens to effect public policy change.

All CTF staff and board directors are prohibited from holding a membership in any political party. The CTF is independent of any institutional affiliations. Contributions to the CTF are not tax deductible.

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This survey is indebted to the research conducted by Jong Huang, chief economist for the City of Edmonton, who pioneered property tax and utility charge surveys in the Edmonton Region and among large urban centres in Canada.

We thank the staff at the Public Utilities Board, the municipal offices in the Winnipeg Capital Region, Manitoba Hydro and Manitoba Telecom Services for sharing information on property tax rates and utility charges.

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Introduction

The 2005 Capital Region Residential Property Tax and Utility Charges Survey is the only annual survey of its kind to track and record the basic living costs for residential property owners within the Winnipeg Capital Region.

The question on the minds of many individuals and families in the real estate market is how communities within the capital region stack up against their neighbors in terms of the cost of residential property taxes and utility charges.

This survey attempts to answer this question alone. It does not explore other variables that influence a home buyer's decision such as crime rates, real estate prices, or access to larger property lots. Rather, this property tax survey serves solely as a measurement of the comparative tax and utility burden.

In addition, the survey is not intended to measure the benefits accrued to homeowners in return for their property taxes. Rather, it registers the price that is paid for a product. In this case, that product is local government. It is not a reflection of the quality of the product or value for tax dollars. The survey should not be used to compare management efficiency among local governments, nor to compare "value for services" offered by individual municipalities.

Although property tax differences can be partially attributed to management efficiency, the latter does not pre-determine the former. Other factors affect property tax rates, such as the sources of operating revenue and the extent and cost of municipal services provided.

It should also be mentioned that municipalities only have control over their general municipal levies. The Education Support Levy (ESL) is controlled by the provincial government, and the Special School Division Levy is controlled by school boards.

Where necessary, the survey selected high-density residential communities in the capital region that share the same utilities. Communities that were inconsistent with the other communities in terms of water and/or sewer services were excluded.

It is important to keep in mind that tax rate increases are not the only problem with property taxes. Property taxes in general are easily the most destructive, regressive and complicated forms of taxation:

- ♦ They are charged to property owners regardless of income or ability to pay. Therefore, they can be an unreasonable burden on struggling farmers and home owning seniors on fixed incomes;
- ♦ They bear little relationship to the services actually used or consumed by homeowners or renters;
- ♦ They punish people for improving their properties because taxes rise as assessed home values rise; and

- ♦ The process by which property and school taxes are calculated is very expensive to administer, and both are unpredictable and confusing to most taxpayers.

A competitive tax structure among communities should be encouraged as a model that inspires municipal governments to curb the property tax burden. The communities that have succeeded in setting competitive property tax rates should be credited for raising the quality of life for their residents.

There are five key principles to keep in mind when talking about a fair and equitable property taxation system for all Manitobans:

User Fees

To the greatest extent possible, municipalities should remove “services from the property tax base that can be paid for by individuals such as utilities, water, garbage, etc. Property taxes should be limited to things that cannot be billed for on an individual basis such as fire and police departments, roads, traffic signals, and snow removal. Municipalities should examine privatization, alternative service delivery models and public/private partnerships as alternatives to undertaking services and capital projects.

Transparency

School taxes should be completely removed from the property tax levy and funded entirely from provincial revenues. The Education Support Levy is currently being phased out of residential and commercial property taxes.

Uniformity

All municipalities across Manitoba should report all property tax levies in a uniform manner to the Department of Intergovernmental Affairs, so that the data is more widely available to Manitobans.

Simplicity

Simple, lower and transparent taxes with few exemptions are preferable to convoluted and costly refund, credit and grant schemes.

Taxpayer Empowerment

Local taxpayers must be assured of an end to volatility found in the current property tax system, by incorporating a tax cap provision that would limit annual increased in property taxes (total bill), while also allowing for tax rate increases or reductions through referenda and citizen initiatives.

Summary of Findings

Average Annual Residential Property Taxes on a \$100,000 House: 2005

- Low – RM of Macdonald (La Salle) \$1,760
- High – City of Winnipeg \$2,836
- Average \$2,009

Average Annual Increase/Decrease on a \$100,000 House: 2005

- Low – RM of Macdonald (La Salle) -\$155
- High – City of Selkirk +\$16
- Average -\$59

Average Annual Utility Charges for a Single Family House in 2005

- Low – RM of Tache (Lorette) \$1,798
- High – RM of Cartier (Elie) \$2,508
- Average \$2,132

Average Annual Utility Charges and Property Taxes for a \$100,000 House in 2005

- Low – RM of Macdonald (La Salle) \$3,308
- High – City of Winnipeg \$5,147
- Average \$4,052

Table 1: Average Annual Residential Property Taxes on a \$100,000 House: 2000 - 2005

	Estimated Property Taxes ¹						2005 Rank
	2000	2001	2002	2003	2004	2005	
RM of Macdonald, La Salle	1,696	1,730	1,749	1,778	1,813	1,760	1
RM of Cartier, Elie	1,999	1,992	1,967	1,890	1,893	1,791	2
RM of Ritchot, Ste. Agathe	1,866	1,883	1,825	1,832	1,861	1,798	3
RM of East St. Paul	1,710	1,793	1,771	1,766	1,819	1,814	4
Town of Stonewall	1,989	2,055	1,918	1,867	1,895	1,845	5
RM of Rockwood, Stony Mountain	1,817	1,990	1,881	1,862	1,886	1,855	6
RM of St. Francois Xavier	2,029	2,057	2,001	1,985	1,953	1,878	7
RM of Headingley	1,958	1,988	1,898	1,945	1,936	1,883	8
RM of West St. Paul, Rivercrest	1,922	1,949	1,983	1,989	2,046	1,978	9
RM of Tache, Lorette	1,969	2,180	2,067	2,130	2,229	2,161	10
City of Selkirk	2,418	2,532	2,450	2,454	2,530	2,511	11
City of Winnipeg	3,036	3,028	2,860	2,864	2,888	2,836	12
Average	\$2,034	\$2,098	\$2,031	\$2,030	\$2,062	\$2,009	-

Notes:

¹Property taxes include a general municipal levy, the education support levy, and the school division levy. They do not include special or local improvement levies, or the Manitoba Education/Property Tax Credit Advance. A breakdown of 2005 Property Taxes is available in Table 3.

Source: Municipal Offices of Cartier, East St. Paul, Headingley, Macdonald, Ritchot, Rockwood, St. Francois Xavier, Selkirk, Stonewall, Tache, West St. Paul and Winnipeg

Chart 1: Average Annual Residential Property Taxes on a \$100,000 House: 2005

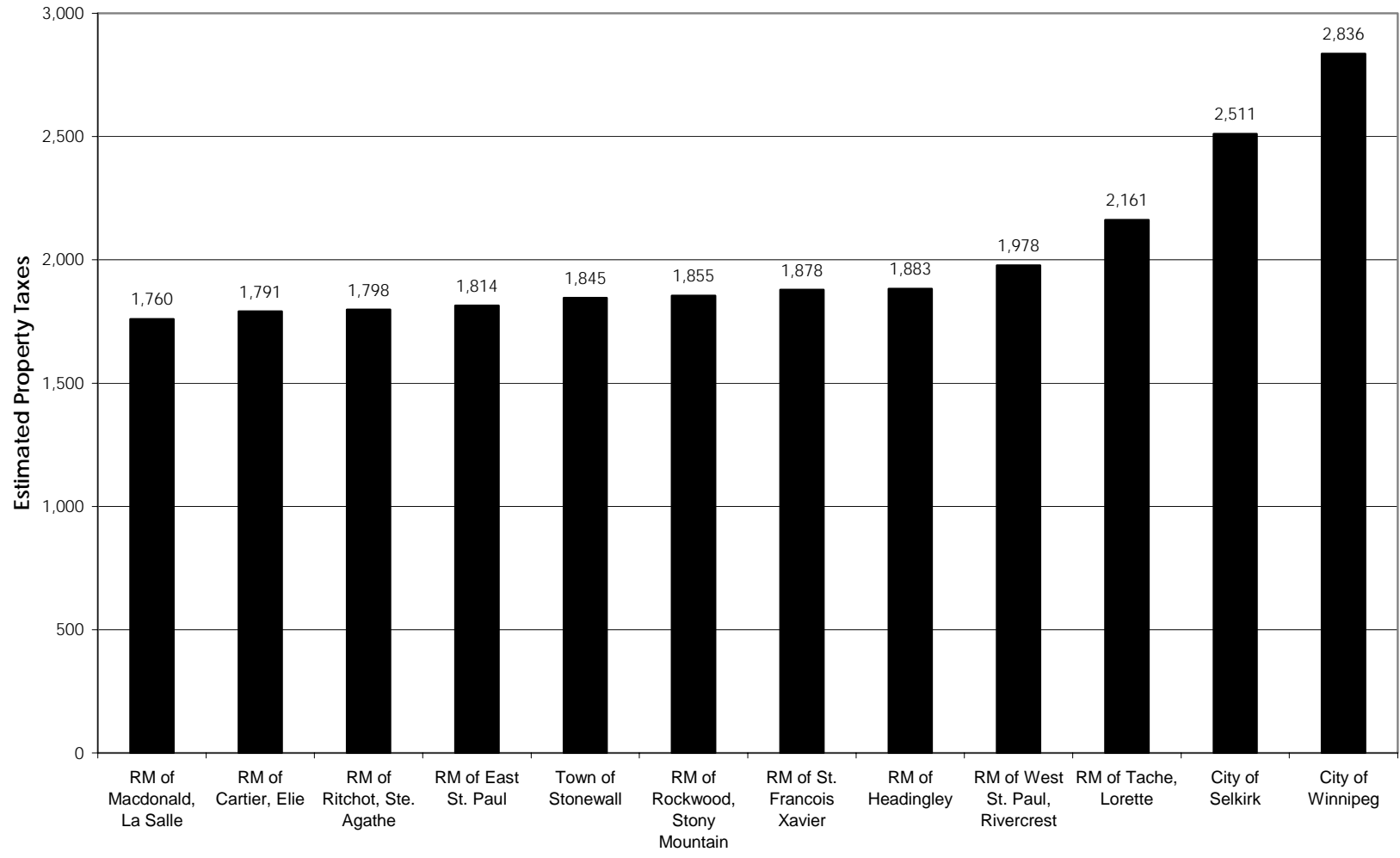


Table 2: Average Annual Property Tax Increase/Decrease on a \$100,000 House: 2000 - 2005

	2000 - 2001 Change	2001 - 2002 Change	2002 - 2003 Change	2003 - 2004 Change	2004 - 2005 Change	2005 Rank
RM of Macdonald, La Salle	53	(118)	(2)	30	(155)	1
RM of Cartier, Elie	(7)	(25)	(77)	3	(102)	2
RM of St. Francois Xavier	29	(46)	(16)	(32)	(75)	3
RM of West St. Paul, Rivercrest	27	34	6	57	(68)	4
RM of Tache, Lorette	211	(113)	63	99	(68)	5
RM of Ritchot, Ste. Agathe	17	(58)	7	29	(63)	6
RM of Headingley	30	(90)	47	(9)	(53)	7
City of Winnipeg	(8)	(168)	4	24	(52)	8
Town of Stonewall	66	(137)	(51)	28	(50)	9
RM of Rockwood, Stony Mountain	173	(109)	(19)	24	(31)	10
RM of East St. Paul	83	(22)	(5)	53	(5)	11
City of Selkirk	114	(70)	5	76	16	12
Average	\$66	-\$77	-\$3	\$32	-\$59	-

Source: Municipal Offices of Cartier, East St. Paul, Headingley, Macdonald, Ritchot, Rockwood, St. Francois Xavier, Selkirk, Stonewall, Tache, West St. Paul and Winnip

Chart 2: Average Annual Property Tax Increase/Decrease on a \$100,000 House: 2004 - 2005

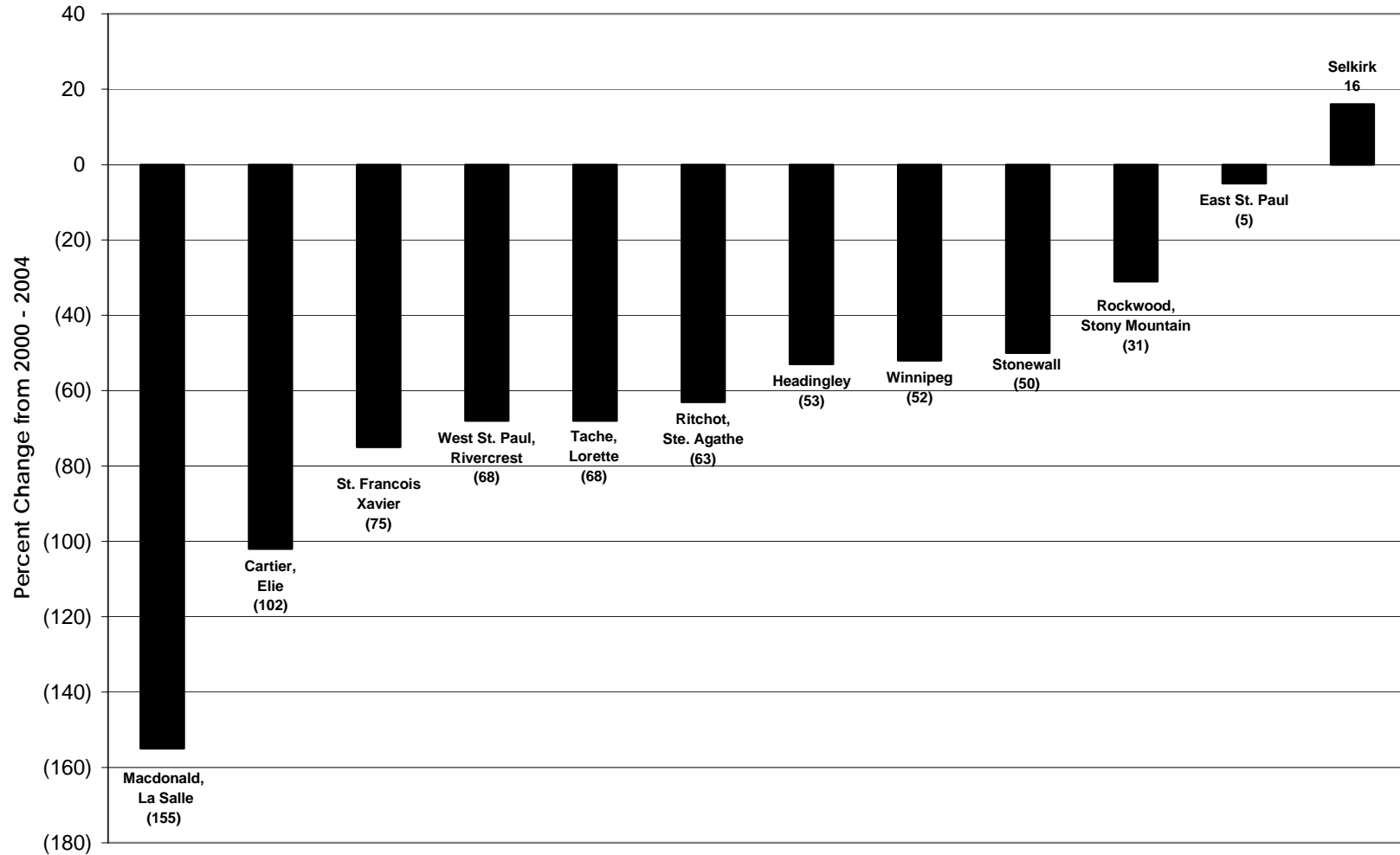


Table 3: Property Tax Breakdown on a \$100,000 House in 2005

	Estimated Property Taxes ¹			Total Mill Rate	Total Property Tax on a \$100,000 Home
	General Municipal Levy	Special School Division Levy	Education Support Levy		
RM of Macdonald, La Salle	13.220	23.410	2.470	39.100	1,760
RM of Cartier, Elie	15.630	21.750	2.430	39.810	1,791
RM of Ritchot, Ste. Agathe	15.520	21.980	2.450	39.950	1,798
RM of East St. Paul	10.719	27.170	2.421	40.310	1,814
Town of Stonewall	15.500	23.000	2.500	41.000	1,845
RM of Rockwood, Stony Mountain	15.763	23.000	2.451	41.214	1,855
RM of St. Francois Xavier	17.552	21.750	2.430	41.732	1,878
RM of Headingley	17.000	22.390	2.460	41.850	1,883
RM of West St. Paul, Rivercrest	11.610	29.871	2.470	43.951	1,978
RM of Tache, Lorette	20.846	24.765	2.420	48.031	2,161
City of Selkirk	30.432	22.924	2.435	55.791	2,511
City of Winnipeg	29.686	30.923	2.413	63.022	2,836
Average	17.790	24.411	2.446	44.647	\$2,009

Notes

¹Property taxes include a general municipal levy, the education support levy, and the school division levy. They do not include special or local improvement levies, or the Manitoba Education/Property Tax Credit Advance.

Source: Municipal Offices of Cartier, East St. Paul, Headingley, Macdonald, Ritchot, Rockwood, St. Francois Xavier, Selkirk, Stonewall, Tache, West St. Paul and W

Table 4: Average Annual Utility Charges for a Single Family House in 2005

	Telephone ¹	Power ²	Natural Gas ³	Water & Sewer ⁴	Total	Rank
RM of Tache, Lorette	331	656	561	241	1,789	1
Town of Stonewall	331	656	561	268	1,816	2
RM of Rockwood, Stony Mountain	331	656	561	368	1,916	3
RM of West St. Paul, Rivercrest	331	656	561	410	1,958	4
RM of East St. Paul	331	656	561	534	2,082	5
RM of Macdonald, La Salle	331	656	561	546	2,094	6
RM of Ritchot, Ste. Agathe	331	656	561	669	2,217	7
City of Selkirk	331	656	561	674	2,222	8
RM of Headingley	331	656	561	750	2,298	9
City of Winnipeg	331	671	574	735	2,311	10
RM of St. Francois Xavier	331	656	561	829	2,377	11
RM of Cartier, Elie	331	656	561	960	2,508	12
Average	\$331	\$657	\$562	\$582	\$2,132	-

Notes:

¹Telephone rates based on monthly rate for residential service (\$24.20). Calculation also includes 7% GST and 7% PST²Hydro rates are based on an average consumption of 750 kwh per month. Calculation also includes GST, PST and 2.5% City Tax in the City of Winnipeg³Natural gas rates are based on an average consumption of 90m³ per month. Calculation also includes GST, 1.4% Provincial Utility Tax and 2.5% City Tax in the City of Winnipeg⁴Water and sewer charges are based on an average consumption of 82m³ per quarter or 18,063 gallons per quarter or 2,900 ft³ per quarter.

Source: Manitoba Telecom Services, Manitoba Hydro, municipal offices of Cartier, East St. Paul, Headingley, Macdonald, Ritchot, Rockwood, St. Francois Xavier, Selkirk, Stonewall, Tache, West St. Paul and Winnipeg

Chart 4: Average Annual Utility Charges for a Single Family House in 2005

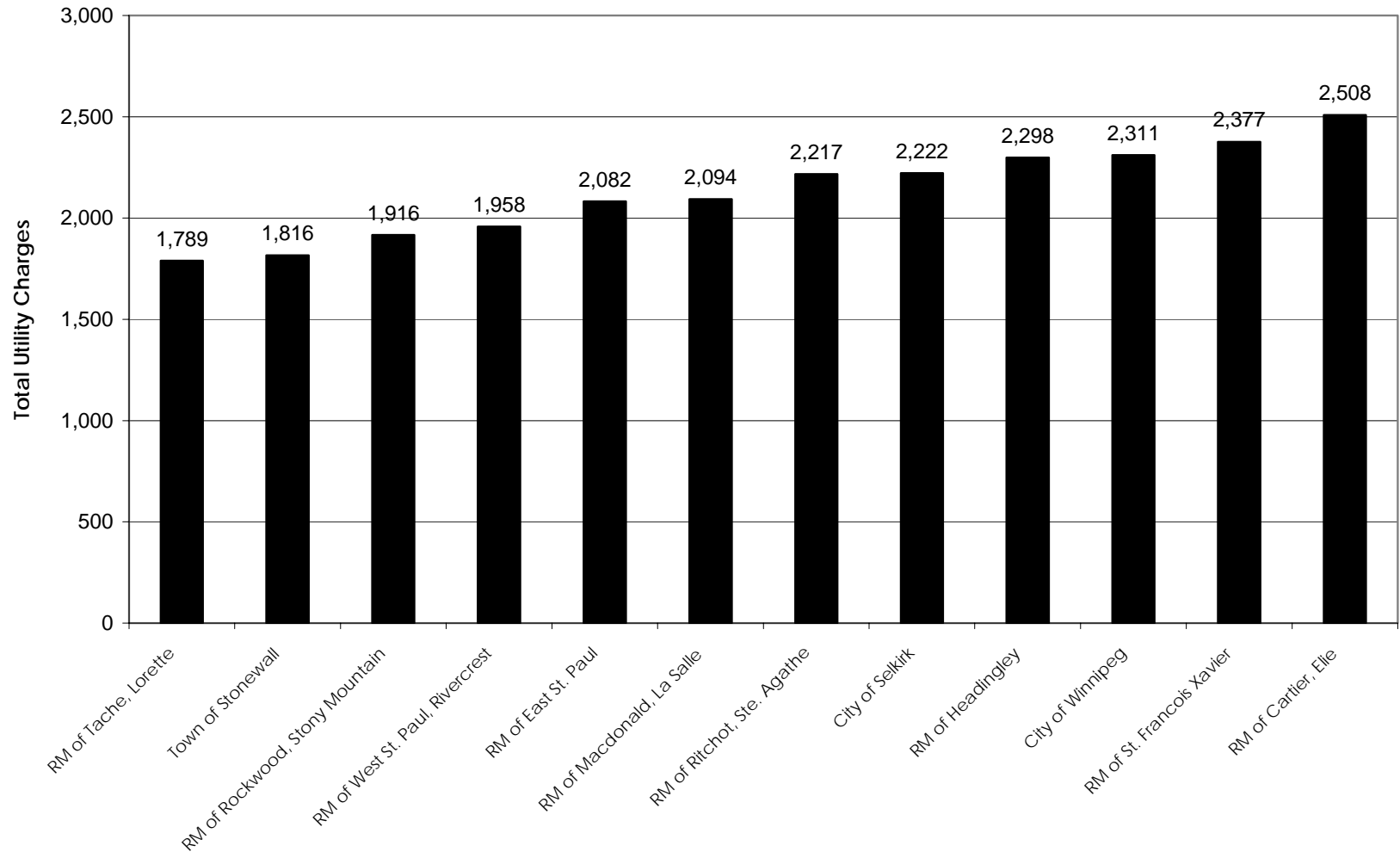


Table 5: Average Annual Utility Charges and Property Taxes for a \$100,000 House in 2005

	Total Utility Charges	Property Tax	Total	Rank
RM of Macdonald, La Salle	1,548	1,760	3,308	1
RM of East St. Paul	1,548	1,814	3,362	2
Town of Stonewall	1,816	1,845	3,661	3
RM of Rockwood, Stony Mountain	1,916	1,855	3,771	4
RM of West St. Paul, Rivercrest	1,958	1,978	3,936	5
RM of Tache, Lorette	1,789	2,161	3,950	6
RM of Ritchot, Ste. Agathe	2,217	1,798	4,015	7
RM of Headingley	2,298	1,883	4,181	8
RM of St. Francois Xavier	2,377	1,878	4,255	9
RM of Cartier, Elie	2,508	1,791	4,299	10
City of Selkirk	2,222	2,511	4,733	11
City of Winnipeg	2,311	2,836	5,147	12
Average	\$2,042	\$2,009	\$4,052	-

Source: Manitoba Telecom Services, Manitoba Hydro, municipal offices of Cartier, East St. Paul, Headingley, Macdonald, Ritchot, Rockwood, St. Francois Xavier, Selkirk, Stonewall, Tache, West St. Paul and Winnipeg

Chart 5: Average Annual Utility Charges and Property Taxes for a \$100,000 House in 2005

