2002 License Fees for Mobile Homes
File EL-8 (Vol. 4)

3. The Executive Policy Committee has been advised that Council must approve amendments to By-law No. 821/74.

On June 19, 1991, Council adopted the recommendations of the Committee on Finance and Administration regarding the system of taxing mobile homes. These recommendations also included the method of annually updating mobile home license fees for future years. In the years following, Council was requested to approve an increase when any one of the variables used in the Council stipulated method of calculation resulted in a material change in the revenue base for the City. In 2001, no increase to the mobile homes license fee occurred as the annual increase per mobile homeowner was only twelve cents (.04%) and therefore was considered immaterial. The range of increase since 1994 is shown below:

1994	1.2%
1995	2.3%
1996	2.5%
1997	0.9%
1998	2.3%
1999	1.5%
2000	1.6%
2001	0%

The method of calculating the mobile home license fees is based on the following formula:

Assessed average square foot value x portion share for the class x average city wide mill rate for the prior year x square footage of the home.

Assessed average square foot value
The assessed market value of mobile homes is used to calculate the average square foot value. This assessment is determined by the Property Assessment Department using market sales and is revised with each general reassessment. The 2002 license fee is based on a reassessment value.

Portion share for the class
The 2002 portion percentage for the Residential 1 class of properties is 45%.

Average city wide mill rate for the prior year
An average of the general municipal mill rate, the education support mill rate and the average of all school division special levies for 2001. For purposes of calculating the 2002 license fee, the 2001 mill rates were recast using the projected 2002 reassessment roll.

Average square foot of the home
The total square feet of mobile homes divided by the number of mobile home units.

The license fees for mobile homes are to be adjusted by new assessment information while reflecting the change in the average city wide mill rate. Generally, mobile home fees are based on the prior year's

mill rates and assessment values applied to the average square foot value in effect until the next general reassessment is done by the Property Assessment Department. However, as 2002 is a reassessment year, the 2002 license fee was based on a new reassessment value and recast 2001 city wide mill rates (using a projected 2002 assessment roll).

The recommended license fee for mobile homes for the 2002 fiscal year reflects an increase of 11.8% over the last approved license fee for 2000, an average of $4.62 per month ($55.44 per annum) for each mobile homeowner. Though the percent increase appears significant, consideration must be given to the fact that the 2000 fees were derived using the 1994 assessed market value of mobile homes. The increase in the 2002 mobile home reassessment value was 14.8%. The 2002 license fee increase was not as great due to the recasting of the 2001 mill rates and the 2001 municipal tax decrease.

For 2002 the average mobile home size has increased to 900 square feet from 800 square feet used in prior years. Based on the 606 mobile homes currently being licensed, the proposed fees should generate approximately $7,300 greater than the anticipated 2002 revenues, as outlined on Appendix "A".

The Executive Policy Committee recommends:

I. That Council amend By-law No. 821/74 by repealing Schedule "A" and substituting the following schedule for mobile home monthly fees effective January 1, 2002:

LICENSE FEES FOR MOBILE HOMES		
Size of Mobile House (Based on exterior dimensions)	Current 2000 Monthly Fee	Proposed 2002 Monthly Fee
(a) 400 square feet or less	$17.51	$19.58
(b) Each additional 100 square feet or part thereof	$ 4.38	$ 4.89

II. That the Proper Officers of the City be authorized to do all things necessary to effect the intent of the foregoing.

Report of the Executive Policy Committee dated December 5, 2001

Appendix "A" referred to in Clause 3 of the Report of the Executive Policy Committee dated December 5, 2001

Financial Impact Statement

Date: November 27, 2001

Project Name:

First Year of Program **2002**

2002 License Fees for Mobile Homes

	2002	2003	2004	2005	2006
Capital					
Capital Expenditures Required					
Less: Existing Budgeted Costs					
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External					
Grants (Enter Description Here)					
Reserves, Equity, Surplus					
Other - Enter Description Here					
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs					
Less: Incremental Revenue/Recovery	7,300		-	-	-
Net Cost/(Benefit)	$ (7,300)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts					
Net Budget Adjustment Required	$ (7,300)	$ -	$ -	$ -	$ -
Additional Comments:					

Carrie Erickson
Manager of Finance & Administration