



## Levy Apportionment

TBDSSAB has used the weighted assessment method to apportion its annual operating budget levy to Municipalities and TWOMO since its establishment in 1999. There are three inputs in the weighted assessment calculation and levy apportionment calculation:

1. **Taxable assessment values** as established by the Municipal Property Assessment Corporation (MPAC);
2. **Tax ratios** as established by each Municipality; and
3. The **annual operating budget levy** as determined by the Board.

These three inputs are used in the following steps in the process:

### Step 1 – To produce the **weighted assessment** values:

The taxable assessment for each property class for each Municipality is multiplied by the tax ratio for that class, as established by the Municipality.\*

This calculation results in the *weighted assessment* values for each Municipality.

### Step 2 – To calculate the **proportionate share** for each municipality:

The total of each Municipality's weighted assessment values for all property classes is divided by the total weighted taxable assessment values for all Municipalities.

This calculation determines the *proportionate share* of the annual operating budget levy for each Municipality.

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Proportionate share calculation:

$$\frac{\text{Municipality weighted assessment}}{\text{Total weighted assessment for all municipalities within the District of Thunder Bay}} = \text{Proportionate share}$$

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### Step 3 – To finalize the **Levy for each Municipal Funding Partner and TWOMO**:

Each Municipality's proportionate share is multiplied by the annual operating budget levy (in 2018, total TBDSSAB Levy = \$ to determine the amount to be billed to each Municipality for the year.

*\*The tax ratio used for each property class in the unincorporated territory is the weighted average of those established by incorporated Municipalities*

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**Example of Weighted Assessment Calculation**

**STEP 1: Weighted Assessment**

Municipality	Assessment Values (MPAC)		
	Residential	Commercial	Industrial
A	\$ 1,000,000	\$ 500,000	\$ 500,000
B	\$ 500,000	\$ 200,000	\$ 200,000
C	\$ 200,000	\$ 50,000	\$ -

Municipality	Tax Ratio (Municipality)		
	Residential	Commercial	Industrial
A	1.000	2.000	2.500
B	1.000	2.000	2.000
C	1.000	1.500	1.750

Municipality	Assessment Value X Tax Ratio			Total
	Residential	Commercial	Industrial	
A	\$ 1,000,000	\$ 1,000,000	\$ 1,250,000	\$ 3,250,000
B	\$ 500,000	\$ 400,000	\$ 400,000	\$ 1,300,000
C	\$ 200,000	\$ 75,000	\$ -	\$ 275,000
Total	\$ 1,700,000	\$ 1,475,000	\$ 1,650,000	\$ 4,825,000

**STEP 3: Levy for Each Municipal Funding Partner and TWOMO**



**Proportionate Share STEP 2:**

Municipality	Formula	Cost Apportionment
A	$\frac{\text{Municipality Weighted Assessment}}{\text{Total Weighted Assessment}} = \frac{\$ 3,250,000}{\$ 4,825,000}$	= 67%
B	$\frac{\text{Municipality Weighted Assessment}}{\text{Total Weighted Assessment}} = \frac{\$ 1,300,000}{\$ 4,825,000}$	= 27%
C	$\frac{\text{Municipality Weighted Assessment}}{\text{Total Weighted Assessment}} = \frac{\$ 275,000}{\$ 4,825,000}$	= 6%

X \$20M (Levy)

Levy Share
\$ 13,400,000
\$ 5,400,000
\$ 1,200,000

Total Levy	\$ 20,000,000
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