A Property Tax Cap

Protecting Residential and Commercial Ratepayers

by Maureen Bader
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About the Canadian Taxpayers Federation

The Canadian Taxpayers Federation (CTF) is a federally incorporated, non-profit and non-partisan, advocacy organization dedicated to lower taxes, less waste and more 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 64,000 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 working partnership with the Montreal-based Quebec Taxpayers League.

Provincial offices conduct research and advocacy activities specific to their provinces 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 900 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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If you are supportive of the recommendations in this report, please consider joining the CTF and add your voice to the campaign for lower taxes, less waste and more accountable government. Information is available at the CTF's award winning website: www.taxpayer.com

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Summary of Recommendations

To limit property tax increases and create more accountable municipal governments, the CTF recommends the following:

- A property Tax Cap pegging residential property tax rates at current levels. Over a ten-year period, the property tax rates for all other property classifications would be reduced to the residential rate, reaching a single property tax (mill) rate in each local jurisdiction.
- The value at which a property is currently assessed would become the assessed value for the purposes of this model. Any adjustment in the assessed value for the current property owner would be tied to the rate of inflation as determined on a provincial level by Statistics Canada.
- When a property is sold, the sales price becomes the new assessed value.
- Provincial statute should allow for either higher or lower property tax rates by referenda and citizen initiatives, placed on the regular municipal ballot.
- The CTF recommends a shift toward a fee for service system for as many municipal services as possible.
- Each municipality must produce a consumption of services report and implement activity-based costing.
- Municipalities in Canada must continue to look for innovative Alternative Service Delivery, Public Private Partnerships, and the privatization or outsourcing of non-core city assets to cut the cost of local government.
- Provinces must define municipal responsibilities and stop downloading services onto municipalities in the same way that municipalities should not be 'uptaking' services that are the proper jurisdiction provincial or federal governments.

Introduction

Residents and business owners across Canada are rightly concerned about rising property taxes. While federal and most provincial taxes are falling, property taxes in many municipalities are rising. A property Tax Cap, as presented in this paper, would create defined and predictable *revenues* for municipal governments and defined and predictable *payments* for local ratepayers.

Property taxes are the primary source of funding for municipal governments. In theory, property taxes pay for the services received from these local governments. When the amount of tax paid is the same as the cost of services received by the property owner, the service-level decisions made by municipal governments can be fairly efficient. Unfortunately, municipal politicians have a strong incentive to tax some properties at higher rates, such as business properties, to subsidize taxes paid on other properties, such as residential properties. This is because residential property owners vote in local elections but business property owners may not, and so may have no say in their level of taxation or services.

For a municipal government -- spending, not revenue -- determines the tax burden borne by ratepayers, creating an upside down budgeting process. Municipal governments determine how much they are going to spend *then* determine the tax rates necessary to pay for that spending. Federal and provincial governments, on the other hand, take into account existing tax rates and projected revenues *before* considering what items to spend on. As a result of the focus on spending, local tax rates tend to change year-over-year based on the spending wish lists of local councilors.

A property Tax Cap would be the first step in turning municipal budgeting right-side-up. It would force local governments to prioritize spending and focus on core activities, fundamental to the operation of a community. Core activities include police, fire and public works. Activities that are not fundamental to the operation of a local economy – non-core activities – including social and recreational services, are better provided by other levels of government or the private sector.

According to our Constitution, the role of municipal government is determined by provincial legislation. Therefore, the CTF proposes provincial governments establish a cap on property taxes. Provinces must define municipal responsibilities and stop downloading services onto municipalities in the same way that municipalities should not be 'uptaking' services that belong to provincial or federal governments. This is particularly important today as municipal governments are lobbying heavily for new taxing powers. Once the budgeting process is turned right-side-up and revenues play an primary instead of secondary role in local budgets, the unpredictability of wild swings in municipal taxation should decline.

A public opinion poll done for the Canadian Taxpayers Federation (CTF) showed that 68% of respondents support the property Tax Cap model proposed in this paper. A Tax

Cap provision would limit annual increases in property taxes, but allow for tax rate increases or reductions through referenda and citizen initiatives. That poll also showed that 58% of respondents were in favour of more fees for service to fund local services.

This paper further recommends equality in tax rates across property classes. Businesses are becoming more mobile, so municipalities must now become more aware of the effects of discriminatory property taxation. High property taxes may affect the location decisions of new businesses and whether existing businesses will stay open or move to friendlier jurisdictions. Discriminatory business property taxes represent a hidden tax to residents reflected in higher prices, less job creation and lower wages. Both federally and provincially, governments are lowering business taxes to create a better business climate. It's time municipalities did the same.

A Tax Cap would provide predictability for homeowners, businesses and local government. It would give local politicians the tool to say ‘no’ to incessant demands to increase spending from special interest groups with non-core agendas. Finally, it turns local budgeting right-side-up by putting ratepayers in control rather than spend-happy local councils.

This paper provides a basic outline that is general in scope and could be applied in any province.

Property Tax Principles

The Canadian Taxpayers Federation is guided by the following principles in creating the recommendations included in this report.

1. Transparency and Accountability: Provincially mandated programs such as schools, social services and public health should be funded and operated entirely by provinces. Properties should not be taxed for these programs. Further, transfers between different levels of government cloud transparency and create additional costs as services overlap or are even duplicated. Each level of government federal, provincial and municipal should be responsible for a clearly defined set of services and activities. A clear understanding of who taxes and spends for what purpose is at the heart of accountability. Blurring that line blurs accountability;

2. Cost-benefit analysis: A municipality must first determine whether it should provide a service or undertake a project and if so, examine best alternatives in terms of cost, ratepayer risk, transparency, measurable outcome and accountability. These options include: privatization, contracting out, alternative service delivery models and public private partnerships (P3s);

3. Fee for Service: Municipalities must remove services from the property tax base that can be paid for by individuals such as utilities, water, garbage, recreational facilities, etc. Property taxes should be limited to core activities that cannot be billed for on an individual basis such as fire and police departments, roads, traffic signals, and snow removal;

4. Uniformity: Business and residential properties should be taxed at similar rates;

5. Simplicity: Lower, simpler and transparent taxes with few exemptions are preferable to convoluted schemes of refunds, credits, grants, exemptions, etc;

6. Ratepayer Empowerment: Local ratepayers must be assured of an end to the volatility found in the current property tax system by incorporating a Tax Cap provision that would limit annual increases in property taxes, while allowing for tax rate increases or reductions through referenda and citizen initiatives.

How a Tax Cap Would Work

Budgeting in the real world is about limitations. Local ratepayers must be assured of an end to the volatility found in the current property tax system by incorporating a Tax Cap that would limit annual increases in property taxes and allow for tax rate increases or reductions through referenda and citizen initiatives.

A property Tax Cap model would peg residential property tax rates at current levels. It would also require, over a ten-year period, that property tax rates for all other property classifications be reduced to the residential rate, reaching a single property tax (mill) rate in each local jurisdiction.

The value at which a property is currently assessed would become the assessed value for the purposes of this model. Any annual adjustment in the assessed value for the current property owner would be tied to the rate of inflation as determined on a provincial level by Statistics Canada. Property values would only face a non-inflation based adjustment at the time of sale.

The inflation adjustment is a ceiling, not an automatic indexation. It is intended to allow the value of properties that have not changed hands to keep pace with the value of new properties or to those that have changed hands. The primary purposed of the inflation adjustment is to protect ratepayers from wild upward swings in their property tax bill.

Determining property tax rates

Property tax bills are currently determined by a complicated process starting with municipal budgeting decisions and the assessment of a property's value. After budgets are set and assessed values determined, the property tax (mill) rate is calculated. Contrary to conventional wisdom, rising assessments to not drive up property tax (mill) rates. As discussed in detail below, municipal spending decisions are the main cause of rising property tax bills.

A municipality starts its property tax bill calculation by first determining how much it is going to spend -- its budget. The municipality then decides how much of its budget will be paid for by property taxes, how much by fees, and how much by an assortment of other revenues sources such as earnings on investments. At this point, it can lower the amount it plans to collect via property taxes by reducing spending or by switching to other sources of revenue, such as fees for service.

Meanwhile, an assessment authority, either a provincial organization or one contracted by a municipality, determines the assessed value of each property and assigns it to a property class (business, residential, industrial, farm, etc.). The property class will most likely be determined by the actual use of the property, however it could also be classed by its highest valued use. This means a property could be charged the higher business tax rate even though it is being used as something else, a residence, for example.

Once the assessment authority has determined which class a property falls into and the average assessed value for each class, the municipality determines what share of its budget will be paid for by each class. The share of the budget is divided by the average assessed value for each property class to come up with a tax rate. This rate is usually expressed in dollars of tax per thousand dollars of assessed value - hence the term *mill* rate.

If municipal spending stayed the same, the mill rate would fall when averaged assessed values rose. Yet, as discussed in more detail in a later section, between 2002 and 2006, municipal spending rose by 26%, while inflation rose by 1.5% and population by 5.4%.

Freezing the property tax (mill) rate

The key to the CTF Tax Cap proposal is freezing tax rates at current levels and increasing property assessments by a fixed percentage determined by the rate of inflation.

For example, a property is valued at $500,000 in Year 1, and the property tax paid is $1,000 in Year 1. This means the property tax, or mill, rate is 0.2%. As per the Tax Cap, the property tax rate would be frozen at this level -- 0.2%. The assessed value of the property is now $500,000 and this value may rise by the rate of inflation each year if it is not sold during a year. So, in Year 2, if the inflation rate for the province is 2% (as determined by Statistics Canada) the new assessed value of the property is $510,000. That means the property tax bill will now be $1,020 ($510,000 multiplied by 0.2%).

There is no obligation for a municipality to increase the assessed value of residential properties by the rate of inflation each year. Inflation is merely the maximum an assessed value may increase by, in a given year.

Sales-price based assessments

The above approach pegs a property's assessment on its assessed value and eliminates the need for property re-assessments each year. If a property is sold, the sales price becomes the new assessed value.

Sales-price based assessment is founded on a simple principle: the price paid for a property is its value.

A property's assessed value could be re-adjusted above (or below) any change in inflation only at time of sale. If a property does not change hands in a given year, its assessed value is adjusted by an amount no greater than the rate of inflation. This adjustment does not eliminate the tendency for newly acquired properties to pay more in tax; it merely moderates it and makes predictable the amount of property tax the new owner will have to pay. This has the additional benefit of creating defined property tax expectations when a property changes hands.

The CTF proposal includes an annual adjustment amount based on the rate of inflation to eliminate the subjective nature of the current property assessment procedure, not to mention the need for complex computer modeling or an army of bureaucrats peering at properties and measuring values.

Referenda and Citizens Initiative

Should a local government or its citizens want to spend more than the revenue increase created by the annual adjustment would allow for, either council could put a referendum to voters, or citizens could gather signatures to press a referendum. To pass, the referendum would require 50% plus 1 of votes cast. Referendums could be held on an annual basis or coincide with local council elections. Conversely, citizens could also petition for a property tax reduction.

Laws establishing rules for local citizen-initiated referendum, including signature thresholds, collection times, and verification rules would have to be established by provincial statute. However, there is precedence in Alberta for citizens' initiative at the local level. In that province, 10% of registered municipal voters are required to sign a petition within 60 days, to force a public vote on an issue.

The CTF proposal brings together the notions of a tax limitation and direct democracy. These two elements must be an integral part of any property tax reform in Canada.

Discriminatory Tax Rates on Non-Residential Properties

The CTF recommends equalizing the business property tax rate to the residential property tax rate over a 10-year period.

Across Canada, non-residential properties pay higher property tax rates than residential properties. The rationale behind this is businesses attract people who live outside the municipality to work and shop and so use city services they don't pay for. However, this does not take into account the benefit businesses provide to the city in terms of employment and shopping, or service convenience for city residents. High business property taxes across Canada mean lower business activity, lower employment, a lower level of business competitiveness, and of course, higher prices for consumers.

Most provincial governments control the residential-to-business tax ratio. The exception to this is British Columbia where, since 1984, municipalities have been able to set property tax rates without any control. As a result, the business-to-residential property tax ratio has risen to almost 6:1 in Vancouver, with predictable consequences discussed below. In provinces where the provincial government sets the ratio between businesses and residents, ratios vary widely but are for the most part, lower than in British Columbia (Bish, 2004, p.3).

From Ontario to British Columbia, studies show that businesses receive less in city services than the property taxes they pay (Kitchen, 2004, p. 11). Studies such as the 2006 MMK Consultants report show huge differences. Businesses in Vancouver pay $2.50 for every $1.00 of service they receive while city residents pay only $0.50 for every $1.00 of service they receive. Residents getting something for nothing creates a higher demand for services than would exist if residents absorbed the full cost of services. The resultant overspending means even higher taxes in the future and an unsustainable spending spiral that is funded by higher and higher property taxes, paid primarily by business. The CTF recommends municipalities develop a consumption of services report. This report will bring to light the discrepancy between services received and taxes paid and help to inform citizens on the need for reform.

High tax rates for businesses result not only in less transparency, but also in less accountable government. The reality is -- residents vote but many business owners live outside the municipality in which their business is located. Having no vote, they have no say in the level of property taxes. This is a short-term strategy that may keep local politicians in office, but ultimately means fewer jobs and poor government spending decisions. Business property taxes must reflect the true cost of service and not be a cash cow for spend-happy local politicians.

The Tax Cap proposal to freeze residential rates and bring all classes into a single rate simplifies a complex system, making it more transparent and as a result, making municipal politicians more accountable to the people footing the municipal tax bill. This program further removes the need for a large bureaucracy and will lower collection costs.

Lower costs to small businesses will create an incentive to open or remain open, increasing employment among green grocers, barber shops, dry cleaners, convenience stores and restaurants -- the very type of business needed to ensure sustainable communities.

More important, if residents had to pay the true cost of the services they received, they would scrutinize new programs and project proposals more carefully. It would become more difficult for local governments to buy votes with new services for residents by sending the bill to the business community. The result would be a government that is more cost-effective, more accountable, and more responsive to the real needs of the community as a whole.

The Efficiency of Fees

Perhaps the most effective way to keep municipal property taxes in check is for citizens and businesses – to the greatest extent possible – to pay directly for the services they use. Efficiency is lost when users are sheltered from the actual cost of a service.

Take the example of metering programs for water[1]. A 2001 Environment Canada study showed that non-metered or flat-rate water customers in Canada used 475 litres of water per capita per day (lpcd), while metered customers used only 272 lpcd, or 43% less.

A user pay approach for water use, not only results in greater efficiency, it serves the goal of environmental stewardship. This approach to environmental stewardship is far more tangible and less expensive than the all-too-familiar "green" spending initiatives with no measurable result.

Similar user-pay examples could be cited for any number of other municipal services from sewage and garbage collection to recreation and transit.

There is, however, one important caveat to user pay approaches: they must reflect the actual cost of a service. Accountability and efficiency will not be achieved if user fees exceed cost recovery and are then funneled into subsidies to other municipal projects. Municipalities that own utilities and other services are often tempted to take a return or dividend on their annual operations – this essentially is taxation by stealth. If a municipal government needs more tax revenue to fund its operations and capital requirements, it should go directly to citizens and ask to raise property taxes.

The first step in this process is the development of activity-based costing (ABC). Many municipalities have no idea what the current cost of performing city services with municipal workers is. Existing financial systems record how much the city has been spending by functional categories and departments, but contain no information about the cost of providing services. The CTF recommends the establishment of activity-based estimates for the provision of city services using municipal workers. This will empower municipal workers to institute new cost-saving procedures so they can submit their own bid in competition with private contractors should the city decide to outsource that activity.

Finally, user-pay or no user-pay, it is essential that municipal services do not compete with the private sector. If private sector firms can deliver a service, then municipal governments should get out of the way and not use tax dollars, or a near monopoly position, to compete with business.

[1] Bruce Hollands, Reducing waste and inefficiency in water distribution, Canadian Taxpayers Federation, http://www.taxpayer.com/main/content.php?content_id=46

Property Tax Reform in the Canadian Context

Between 2002 and 2007, total municipal revenue from all sources rose from $86 billion to $109.6 billion, a 27% increase. Property tax revenue rose from $34 billion to $43 billion, a 26% increase. Transfers from other levels of government rose by 27.5% for general purposes and almost 28% for specific purposes. Given a general price level inflation of 11.5%, and population growth of 5.4% during that period, these increases represent a tax grab and must be brought under control.

Trend in municipal tax burden

Local government revenue across Canada ($ thousands)

	2002	**2003**	**2004**	**2005**	**2006**	**2007**
Revenues	86,250,076	90,692,440	94,606,314	99,512,869	108,429,815	109,667,285
Own source revenue	51,548,535	53,541,264	56,642,305	59,652,013	63,258,309	65,333,614
Consumption taxes	96,387	97,623	98,885	102,297	110,859	114,747
Property and related taxes	34,263,273	35,821,903	37,759,412	39,901,677	41,646,452	43,075,562
Other taxes	620,433	632,025	717,411	733,215	770,098	786,673
Sales of goods and services	13,464,364	13,599,140	14,344,044	14,976,225	16,243,751	16,712,824
Investment income	2,332,801	2,579,762	2,868,614	3,062,347	3,508,467	3,603,756
Other rev. from own sources	771,277	810,811	853,939	876,252	978,682	1,040,052
General purpose transfers	1,474,235	1,545,596	1,657,222	1,827,974	1,842,701	1,879,803
Specific purpose transfers	33,227,306	35,605,580	36,306,787	38,032,882	43,328,805	42,453,868

Source: Statistics Canada, CANSIM, table 385-0003.

What drives the need for more revenue is out of control municipal spending. Between 2002 and 2007, municipal spending rose from $85 billion to $112 billion, a 31.4% increase. Spending on the environment increased by a whopping 68%, to $12.5 billion, is now higher than protection of persons and property, at $11 billion. It is time to turn the municipal budgeting process around, and a property Tax Cap is the first step in creating a more responsible municipal budgeting process. A property Tax Cap puts ratepayers, not spend-happy municipal politicians, in control.

Local government expenditure across Canada ($ thousands)

	2002	**2003**	**2004**	**2005**	**2006**	**2007**
Expenditures	85,368,021	91,633,360	94,878,259	100,461,389	108,704,519	112,166,933
General gov. services	5,165,139	5,853,617	5,854,126	6,037,124	6,414,515	6,887,145
Protec. of persons and prop.	8,096,465	8,981,806	9,232,645	9,843,695	10,358,766	10,960,292
Transport./ commun.	9,245,703	10,186,898	10,799,284	11,716,661	12,685,486	13,821,798
Health	1,248,668	1,342,148	1,471,662	1,622,440	1,670,285	1,676,049
Social services	5,285,551	5,547,707	5,777,432	5,996,978	6,179,661	6,095,391
Education	36,178,085	37,557,661	38,709,529	40,125,158	44,316,435	43,499,985
Resource conservation and industrial development	937,830	1,094,150	1,155,389	1,257,949	1,386,869	1,464,293
Environment	7,432,848	8,591,633	9,012,248	10,065,411	11,135,736	12,461,375
Recreation and culture	5,751,152	6,546,538	6,774,704	7,502,875	7,914,672	8,563,751
Housing	1,901,034	1,950,566	2,009,372	2,240,100	2,402,429	2,347,563
Planning and development	903,391	944,251	1,012,986	1,080,641	1,195,225	1,370,169
Debt charges	3,014,306	2,958,402	2,958,169	2,910,791	2,971,221	2,938,687
Other expenditures	207,849	77,983	110,713	61,566	73,219	80,435
Surplus (deficit)	882,055	-940,920	-271,945	-948,520	-274,704	-2,499,648

Note: Year ending December 31.
Source: Statistics Canada, CANSIM, table 385-0003.
Last Modified: 2007-06-14.

How do cities across Canada compare? Each year the City of Edmonton prepares a comparison of property tax bills in key cities across the country. The analysis is based on an average tax bill for a single family home defined as a detached three bedroom bungalow of 1,200 square feet on a 5,500 square foot lot. The study is an instructive -- but by no means a perfect comparison -- of property taxes across jurisdictions.

Year	St. Johns	Halifax	Montreal	Toronto	Winnipeg	Regina	Saskatoon	Calgary	Edmonton	Vancouver	Victoria
2002	1,587	1,509	2,510	1,710	1,240	1,141	1,034	732	972	1,456	1,338
2003	1,930	1,602	2,448	1,701	1,240	1,157	1,081	777	1,004	1,451	1,344
2004	1,830	na	2,419	1,512	1,240	1,157	1,134	783	1,037	1,545	1,793
2005	2,196	1,305	2,326	1,961	1,240	1,302	1,197	780	1,095	1,786	1,859
2006	2,196	1,349	2,299	2,046	1,275	1,318	1,230	904	1,158	1,921	1,924
2007	1,540	1,530	2,279	2,143	1,275	1,405	1,299	945	1,131	2,097	2,015

Source: Residential Propery Taxes and Utility Charges Survey, City of Edmonton, 2002-07 reports.
Note: Vancouver and Victoria taxes are gross, not net of the homeowners grant..

This property tax study clearly shows the volatility of property tax bills across Canada. Property taxes in some cities, such as St. Johns, increased from 2002 levels, then fell in 2007, Others, such as Montreal fell steadily. However, most cities on the list experienced a steady increase in property taxes.

Public Support for Change

A CTF commissioned poll conducted by Praxicus Public Strategies taken in August 2008, shows strong support for two key CTF recommendations: more fees for service as an option to higher property taxes and a Tax Cap model. The poll of 1,000 Canadians had a margin of error of +/- 3.1%.

Overall, 58% supported reducing property taxes and introducing more fees for service so that both businesses and residents pay directly for many of the services they use.

Strongly support	25%
Somewhat support	33%
Somewhat oppose	18%
Strongly oppose	18%
Don't know	4%
No answer	1%

All regions of Canada, and people at different ages, household income levels, educational levels and geographic region supported lower property taxes, more fees for services received and the CTF Tax Cap model. However, some groups were more strongly in favour than others.

Those aged 35-54 showed the strongest support for user fees, at 63.7%, while 57.3% of those aged 18-34 and 54.2% of those aged 54+ supported user fees. People at the lowest end of the household income spectrum, with incomes below $35,000, held the highest support for user fees, at 64%, while 59% of those with incomes between $35,000 and $75,000 and 59% of those with incomes above $75,000 supported the Tax Cap. Interestingly, those with college or some university showed the most support for fees for service, at 64.3%, with university graduates showing less at 55.7% and high school graduates showing 55.5%.

Regionally, B.C. respondents showed the strongest support for fees for service, at 64.6%, while 61.7% in the Prairies, 60% in Alberta, 57.6% in Ontario, 65% in Quebec and 54.9% in the Atlantic, supported more fees for service.

In that same study, 68% supported a system that based property taxes on the value of a property when purchased, but then could not be increased by a more than a fixed percentage each year -- the Tax Cap model.

Strongly support	31%
Somewhat support	37%
Somewhat oppose	13%
Strongly oppose	13%
Don't know	5%
No answer	1%

Different demographic groups had stronger preferences in this case as well. Younger people aged 18-34 showed the strongest support for the property Tax Cap, at 73%, while 68% of those 35-54 and 66% of those 55+ preferred a property Tax Cap. Household income level also mattered, with 72.1% of those with incomes higher than $75,000 supported a property Tax Cap, while 70.9% with incomes between $35,000 and $75,000 and 67.3% with incomes below $35,000 supported. Again, those with college or some university showed the most support for the Tax Cap, at 72%, with university graduates showing less at 68.1% and high school graduates showing 65.9%.

Regionally, B.C. respondents showed the strongest support for a property Tax Cap, at 74.6%, with 70.1% in Ontario, 69.4% in Alberta, 67.9% in the Atlantic, 64.2% in the Prairies, and 62.4% in Quebec.

Clearly, citizens across Canada are willing to pay for the services they receive and are dissatisfied with the current property tax system.

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