



Staff Report to Council – for Information

Title: A Case Study on the Decline of Local Revenues from Ontario's Electricity Infrastructure

From: Claire Dodds, Commissioner of Community Development

Date: June 19, 2025

Report Number: CDO-2025-014

Report Purpose:

This report is for information.

Report Summary:

The Municipality of Kincardine and Bruce County engaged Municipal Tax Equity (MTE) consulting to develop a case study examining the impact of Ontario's provincial property valuation assessments of nuclear energy properties on local municipalities. The study focused on the Bruce Nuclear Generating Station and includes detailed analysis conducted for both the Municipality of Kincardine and Bruce County.

The case study identifies that the current provincial assessment model used to assess electrical industry properties shifts the tax burden onto the broader tax base within the host community. The case study demonstrates the largest impact of this shift is experienced by the local municipality, with a lesser impact to the upper-tier level of government.

The case study findings will inform County participation in the Bruce C Impact Assessment process and support active discussion on policy review efforts provincially and federally, as directed by Council.

Background/Analysis:

Electricity generating properties (e.g. generating, transmission and distribution properties, etc.) are assessed using a separate, static provincial tax model rather than Ontario's market-based property assessment model. This has resulted in a shift of the municipal tax burden to non-electricity industry properties in host communities. This shift has a significant impact to the Municipality of Kincardine, and to a lesser degree for Bruce County.

In 2024, the Municipality of Kincardine engaged Municipal Tax Equity (MTE) Consulting to complete a detailed analysis investigating the non-market valuation models currently used to determine property assessments for the Bruce Nuclear Generating Sites.

The Municipality of Kincardine circulated a resolution to Bruce County related to the [Property Taxation Implications Related to Non-Market Valuation of Electricity Industry](#)

[Properties](#), which was included in County Council's January 9, 2025 agenda package. County Council supported this resolution from the Municipality of Kincardine.

Recognizing property taxes are apportioned between both local and upper-tier levels of governments, Bruce County undertook a similar analysis using MTE Consulting to understand the impact on the County taxation. Undertaking a review at both a local and County level helps provide a more complete picture of the impacts of the current provincial assessment for electrical industry facilities in the context of a two-tier municipal government.

Using funding accessed by the Canadian Association of Nuclear Host Communities (CANHC) through the Integrated Assessment Agency of Canada (IAAC) Participant Funding Program, MTE Consulting was engaged to prepare a case study. The results of the study, using Bruce Nuclear Generating Station as the example, demonstrate how the provincial assessment model compromises fairness by shifting the tax burden away from electricity sector properties and onto the broader tax base. This is an issue that affects other host municipalities, especially as new electricity generating infrastructure is being proposed across Ontario.

ANALYSIS

Attached is a presentation from MTE Consulting that highlights key findings from the case study including:

- **Tax Burden Shift:** Due to the current static provincial model of assessment, the Bruce Nuclear site's share of property tax revenue fell from 34% in 2008 to 17% in 2024 - a 50% decline. This gap has been absorbed by other taxpayers, with much of the impact occurring within the Municipality of Kincardine.
- **Non-Market Valuation Impact:** The static, fixed-rate valuation models used for electricity properties fail to respond to growth, inflation, or increases in property values, unlike market-based assessments. This disparity has the potential to grow exponentially after Ontario's next tax reassessment.
- **Revenue Planning Challenges:** As electricity sector tax contributions remain static, municipalities hosting electrical generating infrastructure face growing difficulties in forecasting revenues and maintaining stable tax rates.

This situation presents a growing disadvantage to host municipalities and increases inequity within their tax bases. Without using an alternate means of reassessment, the problem compounds over time.

Peter Frise from MTE Consulting will attend the June 19, 2025, Council meeting to present the findings of the case study.

IMPLICATIONS AND NEXT STEPS

The Municipality of Kincardine has been calling on the province to initiate an immediate review and update of the assessment methodologies for electricity industry properties. The goal is to replace the current static, fixed-unit model with a more dynamic and equitable approach aligned with Ontario's market value assessment system. Ensuring fair and stable property tax contributions from electricity generating stations is significant for

the fiscal sustainability of host communities, like the Municipality of Kincardine and Bruce County.

The case study findings will inform the County's participation in the Bruce C Impact Assessment process and support active discussion on policy review efforts provincially and federally, as directed by Council.

Financial/Staffing/Legal/IT Considerations:

There are no budgetary impacts as a result of this report.

Funds to support the detailed analysis for Bruce County were included in the 2025 budget.

The funding to prepare the case study work was provided by CANHC to the Municipality of Kincardine and Bruce County through the Impact Assessment Agency of Canada (IAAC) Participant Funding Program.

Interdepartmental Consultation:

Consultation has occurred with the Office of the CAO, Corporate Services, and Government Relations.

Link to Strategic Goals and Objectives:

Community and Partnerships - Enhance and grow partnerships
Growth and Innovation - Promote responsible growth

Link to Departmental Plan Goals and Objectives, if any:

N/A

Report Author:

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Departmental Approval:

Claire Dodds, Commissioner of Community Development

Approved for Submission:

Christine MacDonald, Chief Administrative Officer

Attachments:

Attachment 1 - The Decline of Local Revenues from Ontario's Electricity Infrastructure: A Case Study of Bruce Nuclear, Bruce County, and the Municipality of Kincardine

Attachment 2 - Review and Analysis of Assessment Based Municipal Revenue from Bruce Nuclear Revenue Generating Properties