

MLA Road Committee Update - 4 October 2018

The Committee has continued to progress several issues involving living on private roads around Mississippi Lake. As Winter approaches, and particularly in view of the upcoming municipal elections, municipal funding assistance for private roads maintenance (including snow removal) is a topic of great interest. The Committee determined that MLA Members should receive some information in this regard, and should seek further responses and support from Members to be able to engage this issue for effectively, as follows:

Municipalities and Property Taxes

Make your vote count in the upcoming elections. Ask your Counsellors why property tax payers living on private roads do not receive a higher level of municipal support, given the higher taxes paid by waterfront property owners.

There appears to be a great inequity between the taxes collected by your township and the money, if any, put towards helping property owners maintain their private roads. Mississippi Lake has 35 Road associations with over 45 private roads. This means that there are approximately 1,000 property owners whose issues/concerns are not being adequately addressed by their respective municipalities, Reeves and Counsellors.

Municipalities use this higher property tax revenue from waterfront properties to support their overall budgets while not proactively addressing the needs of those living on private roads. Private road property owners must pay for their own snow clearance, road maintenance and road safety after paying for taxes that would normally cover these costs if they did not live on private roads. The question is one of equality and a perceived lack of fairness when it comes to private roads and their property owners.

Beckwith is the only township that provides some support for private roads. The MLA in 2006 put a committee together to address this inequality. It undertook a study and presented it to Beckwith Township. Based on the information provided, Beckwith Township established a Private Roads Equalization Payment (PREP) grant. They used the road maintenance costs from 2006 to establish a base cost per kilometer to provide road maintenance and snow clearing. While Beckwith private roads associations are now able to access an annual road maintenance

grant, if they apply, the actual amount paid is only 50% of the amount that Beckwith originally agreed to pay. Further, this amount has not changed for 12 years.

For discussion purposes, in the case of Beckwith, let's say a private road a kilometer long has 20 property owners with an average property tax of \$3,800. Total property tax collected annually by Beckwith township would be in the order of \$76,000 and the grant amount paid to the road association would be about \$1,500. The PREP grant, if paid out at 100% of the originally agreed rate, should be \$3,000, meaning that over the twelve years since introducing PREP, the road association has missed out on \$18,000 that could have been used to maintain and help upgrade its private road. Furthermore, Beckwith Township is using 2006 costs and this base line has never been updated.

While Beckwith provides some support, the three other municipalities that border Mississippi Lake provide no offset funding to their road associations. The approximately 1,000 property owners in this area on private roads generate an estimated \$3,500,000 in property tax for the municipalities. The question is: why is little to none of this money available to help Road Associations maintain their roads.

The bottom line: [as property owners, you need to speak up and be heard](#). The MLA can be a strong advocate on your behalf, but to do this we need you as members. The more members we have, the more resources we have, and the louder our voice will be to help getting fair and equitable treatment from the municipalities. PREP is good model for the other municipalities to adopt, so why is there no interest in doing so? To be able to reflect your concerns accurately, the MLA needs to know what you think. Let the MLA know through emails or snail mail, or through your Road Association representative. Just as importantly, however, the municipal counsellors need to hear from you directly, especially now, in this election year.