



The Corporation of the Town of Milton

Report To: Council

From: Glen Cowan, Chief Financial Officer / Treasurer

Date: May 13, 2024

Report No: CORS-014-24

Subject: 2024 Final Tax Levy By-law and Tax Policy Update

Recommendation: **THAT the final tax rate by-law on today's agenda be considered for approval.**

EXECUTIVE SUMMARY

Through this report, staff are recommending Council approve the 2024 local municipal tax rates. These rates are derived from the assessment values as provided by the Municipal Property Assessment Corporation (MPAC), the tax ratios established by the Region of Halton, and the Town's 2024 Budget.

This report also establishes the tax due dates for the remainder of 2024 and summarizes the tax policy approved by Halton Regional Council.

REPORT

Background

The Municipal Act, 2001 provides municipalities with the authority to levy property taxes in order to meet their financial obligations. In accordance with Section 312 of the Municipal Act, the Council of a local municipality is required to pass a by-law to levy a separate local tax rate on the assessment in each property class.

The draft by-law attached to this report as Appendix B, once approved by Council, will provide for a 2024 final tax levy, based on individual tax rate calculations for the upper and lower tiers as well as for the Province's education rate. Although the draft by-law outlines the tax rates for each of these three levels of government, local Council is only required to approve the local tax rates and installment due dates. The education tax rates are prescribed by the Province and the upper tier tax rates are approved by Regional Council.



Discussion

SECTION 1: Local Municipal Tax Rate Setting Overview

- Tax Ratio Overview

The tax ratios indicate the tax burden borne by each tax class within the Region. Reducing a tax ratio in one class shifts the tax burden to all other classes since the annual amount to be raised through taxation has been set through the budget process. The authority to annually review and alter tax ratios falls to the upper tier.

The Region has approved the continuance of the 2023 Tax Ratios as follows:

Table with 3 columns: Class, 2023 Tax Ratios, 2024 Tax Ratios. Rows include Residential, Multi Residential, New Multi Residential, Commercial, Commercial Small-scale, Industrial, Industrial Small-scale, Land awaiting development, Pipeline, Farmland, and Managed Forest.

* Upper and Lower Tier ratio shown for Farmland. Education ratio remains at 0.25.

- 2024 Reduction and Discount Factors

Section 313 of the Municipal Act, 2001 provides for subclasses to be taxed at a lower rate than the full tax rate for the broad class. The tax rates that would otherwise be levied for municipal purposes for the subclasses prescribed by the Assessment Act shall be reduced by percentages prescribed by, or determined in accordance with regulations.

Below are the 2024 discount factors accordingly:

Discussion

Class	Local	Region	Education
Farmlands	80%	80%	75%
Managed Forests	75%	75%	75%
Land awaiting Development	75%	75%	75%

- *2024 Unweighted Assessment*

The Municipal Property Assessment Corporation (MPAC) is responsible for submitting to the Town the annual assessment roll. The unweighted assessment for 2024 as provided on that returned roll equals:

Class	2024 Unweighted Assessment
Residential	23,470,032,941
Multi-Residential	164,204,118
New Multi-Residential	43,363,800
Commercial	3,747,866,942
Commercial Small-scale	85,200
Industrial	584,658,936
Land awaiting development	6,034,000
Pipelines	111,770,000
Farmland	383,064,127
Managed Forests	41,948,099
Total	28,553,028,163

- *2024 Weighted Assessment Summary*

Combining the tax ratios from section 1) above with the unweighted taxable assessment described in section 2) results in the weighted assessment utilized for tax rate setting. As shown in the table below, the total 2024 weighted assessment of \$30.7 billion is higher than the 2023 amount as a result of a 2.55% increase in net assessment growth and no change related to phase-in valuation due to the delay in the 2021 reassessment. Any change related to phase-in valuation in any normal year does not result in additional revenue to the Town, rather a redistribution of cost between property owners.



The Corporation of the Town of Milton

Discussion

Taxable Weighted Assessment Summary						
Class	2023 Tax Year	2023 Year End (Pre-flip)	% Change for in-Year Growth	2024 Tax Year	% Change related to Phase-in Valuation	Total % Change*
Residential	23,206,191,809	23,470,032,941	1.14	23,470,032,941	0.00	1.14
Multi-Residential	316,260,236	328,408,236	3.84	328,408,236	0.00	3.84
New Multi-Residential	43,363,800	43,363,800	0.00	43,363,800	0.00	0.00
Commercial	4,900,813,671	5,458,768,201	11.38	5,458,768,201	0.00	11.38
Commercial Small-scale	31,023	31,023	0.00	31,023	0.00	0.00
Industrial	1,292,725,745	1,222,346,437	(5.44)	1,222,346,437	0.00	(5.44)
Land awaiting development	4,525,500	4,525,500	0.00	4,525,500	0.00	0.00
Pipelines	118,118,372	118,666,209	0.46	118,666,209	0.00	0.46
Farmland	75,200,583	76,612,825	1.88	76,612,825	0.00	1.87
Managed Forests	10,309,425	10,487,025	1.72	10,487,025	0.00	1.72
Total	29,967,540,164	30,733,242,198	2.55	30,733,242,198	0.00	2.55

* The % change columns may not total due to the use of different bases in each calculation

It should be noted that the 2.55% net assessment growth figure presented above consists of a gross assessment growth of 3.02% less 0.47% in losses of assessment value due to appeals and reconsiderations that occurred in 2023.

- *Town of Milton 2024 Budget*

On December 4, 2023, Milton Council approved the Municipal 2024 levy requirement which represented a 9.88% increase on the local tax rate. Based on the final assessment growth figure of 2.55%, this translated into a 2024 levy requirement of \$99,180,872 for Town Services including library. These figures are compared to the prior year in the following table.

	2024 Final Levy	2023 Final Levy
Assessment Growth	2.555%	2.279%
Tax Increase	9.88%	7.99%
Net Levy Requirement	\$99,180,872	\$88,012,259

- *Final 2024 Tax Rate Calculation*



Discussion

Combining the output of each of the above sections, the following table summarizes the calculation of the 2024 tax rates and resulting allocation of the Town’s 2024 net budget requirement by property tax class.

2024 Local Municipal Tax Rate Calculation Summary					
Class	2024 Tax Ratio (Section 1)	2024 Unweighted Assessment (Section 2)	2024 Weighted Assessment (Section 3)	2024 Net Budget Requirement (Section 4)* \$	2024 Tax Rate (Net Budget / Unweighted Assessment)
Residential	1.000000	23,470,032,941	23,470,032,941	75,741,375	0.00322715
Multi-Residential	2.000000	164,204,118	328,408,236	1,059,824	0.00645430
New Multi-Residential	1.000000	43,363,800	43,363,800	139,941	0.00322715
Commercial	1.456500	3,747,866,942	5,458,768,201	17,616,286	0.00470035
Commercial Small-scale	0.364125	85,200	31,023	100	0.00117509
Industrial	2.090700	584,658,936	1,222,346,437	3,944,700	0.00674700
Land awaiting development	0.750000	6,034,000	4,525,500	14,604	0.00242036
Pipelines	1.061700	111,770,000	118,666,209	382,955	0.00342627
Farmland	0.200000	383,064,127	76,612,825	247,242	0.00064543
Managed Forests	0.250000	41,948,099	10,487,025	33,843	0.00080679
Total		28,553,028,163	30,733,242,198	99,180,872	

*May contain differences due to rounding.

Consolidated Final 2024 Tax Rate

The local municipal tax rates calculated above are combined with the Regional and Education rates set by Halton Region and the Province, respectively. Appendix B presents tax rates for each property class for each of the Town, Region and Province along with the tax rates required to raise the approved budget levy of the DBIA (Downtown Business Improvement Area).

The following table compares the total cost per \$100,000 of CVA for residential properties based on the final 2024 tax rates against the 2024 notional tax rate calculations. The \$775.48 cost per \$100,000 of residential assessment for 2024 represents a 5.53% increase over 2023. Of this amount, the local municipal share is \$322.72 per \$100,000 of residential assessment, which is an increase of 9.88% over the Town’s 2023 cost. These percentage changes capture both the result of the changes in the budgeted levy as well as the results of the changes in tax policy.



Discussion

Cost per \$100,000 of CVA for Residential Properties

	<u>2023 Taxes (Notional)</u>	<u>2024 Tax</u>	<u>Difference</u>
Local Services	293.69	322.72	29.03
Regional Services			
General & Waste Management	179.97	183.34	
Police	108.21	116.43	
Subtotal	288.18	299.77	11.59
Education ¹	153.00	153.00	0.00
Total	734.87	775.48	40.62

Schedule may not add due to rounding.

¹ Education reflects only final education rate prescribed in O.Reg.400/98 as updated on January 19, 2024 and aligns with figures presented in FN-11-24.

SECTION 2: Tax Policy Overview

In addition to setting tax ratios and upper tier tax rates, Regional Council also establishes tax policies and tax relief programs. Regional report FN-11-24 was approved on April 17, 2024, incorporating such policies and programs for 2024.

Halton Regional Report FN-11-24, is attached as an appendix to this report and outlines in detail the key areas that impact the 2024 tax policies. Also provided as Appendix A is an overview of tax policies, with specific Milton context and figures provided.

Financial Impact

The Town of Milton’s 2024 tax levy is \$99,180,872 and the 2024 Business Improvement Area tax levy is \$270,990. To meet financial obligations, staff are preparing to initiate the billing process for the 2024 final taxes. The installment due dates for the final 2024 billing are to be set and pre authorized payment plan programs withdrawals as follows:

Regular Billing Program: June 28, 2024; September 27, 2024

Pre-Authorized Plans:

- Monthly End of Month: June 28, 2024; July 31, 2024; August 30, 2024; September 27, 2024; October 31, 2024
- Monthly Mid-Month: June 17, 2024; July 15, 2024; August 15, 2024; September 16, 2024; October 15, 2024
- Semi-Monthly: June 17 and 28, 2024; July 15 and 31, 2024; August 15 and 30, 2024; September 16 and 27, 2024; October 15 and 31, 2024
- Due Date: June 28, 2024; September 27, 2024



Financial Impact

At a cost of \$322.72 per \$100,000 of residential assessment, the Town's local municipal tax rate remains amongst the lowest in the province and significantly lower than our peers within Halton Region and the GTA.

Respectfully submitted,

Glen Cowan
Chief Financial Officer / Treasurer

For questions, please contact: Lesley Payton, Manager Tax and Assessment Phone: Ext. 2141

Attachments

Appendix A – Tax Policy Overview with Milton Context
Appendix B – 2024 Final Tax Rate By-law
Appendix C – Halton Regional Report FN-11-24

Approved by CAO
Andrew M. Siltala
Chief Administrative Officer

Recognition of Traditional Lands

The Town of Milton resides on the Treaty Lands and Territory of the Mississaugas of the Credit First Nation. We also recognize the traditional territory of the Huron-Wendat and Haudenosaunee people. The Town of Milton shares this land and the responsibility for the water, food and resources. We stand as allies with the First Nations as stewards of these lands.



The Corporation of the Town of Milton

Appendix A - Tax Policy Overview with Milton Context

In addition to setting tax ratios and upper tier tax rates, Regional Council also establishes tax policies and tax relief programs. Regional report FN-11-24 was approved on April 17, 2024, incorporating such policies and programs for 2024.

Halton Regional Report FN-11-24 outlines in detail the key areas that impact the 2024 tax policies. FN-11-24 is attached as an appendix to this report, with relevant references related to tax policy noted below (with associated page references):

Postponement of the 2021 Reassessment (page 4 of FN-11-24)

The Provincial government announced the delay of the 2021 reassessment to provide municipal governments with the capacity to focus on the COVID-19 pandemic. The reassessment would have otherwise updated the current value assessments for all Ontario properties to reflect their valuation as of January 1, 2019. Increases in assessment from the reassessment would have been phased in over a 4-year period reaching its full valuation in 2024.

The last valuation date of a property's current value assessment currently remains as at January 1, 2016 and, excludes any in-year changes to a property. The current value assessment used for 2024 taxation is the same as what was used for 2021, 2022 and 2023 taxation.

On August 16, 2023, the Province filed Ontario Regulation 261/23 which officially extended the January 1, 2016 current value assessment base year to apply to the 2024 taxation year, and reaffirmed that the property tax reassessments would continue to be postponed for the 2024 tax year.

Small-Scale Value-Added and Commercial Activities on Farms (page 9 of FN-11-24)

In 2018, the Province amended O.Reg.282/98 under the Assessment Act to provide for prescribed optional subclasses for small-scale on-farm business for industrial and commercial property classes. To qualify for the subclass, the industrial or commercial parcel on the property must satisfy the following requirements:

- For an industrial property, the land is primarily used to process or manufacture products produced from the land of the farming business.
- For a commercial property, the land is primarily used to sell farm products or derivatives of farm products produced from the land of the farming business.
- The industrial or commercial parcel would be in the farm property class if not for the activities occurring that are described above.
- The assessment of the commercial or industrial parcel cannot be equal to or greater than \$1.0 million.

There are currently 5 properties in Milton that qualify for these subclasses within the commercial property class. There are no industrial properties with these subclasses. Regional council approved the adoption of both the commercial and industrial subclasses for Tax Policy 2020 and onwards. The first \$50,000 of assessment within the commercial subclass, C7, will receive a 75% reduction in the municipal tax rate.

In 2022, municipalities had the option to adopt a second subclass that would increase the eligible assessment amount to \$100,000 from the current \$50,000. Regional Council has approved the expansion of these measures through FN-11-24. Based on the returned roll for the 2024 tax year, there are no properties that have been identified as eligible for this additional subclass in Halton Region.

Vacant Home Tax (page 9 of FN-11-24)

On November 22, 2023, through Report No. FN-41-23 (re: Optional Vacant Homes Tax in Halton Region Update), Regional staff provided Council with an update on the work undertaken to date to develop a potential VHT Program Framework for Halton Region, including the results from a public engagement. At the meeting, Regional Council passed a motion to pause work on a VHT program until such time as the Provincial Policy Framework was released.

On March 27, 2024, the Provincial Policy Framework was released providing guidelines and recommendations for municipal Vacant Home Taxes. On April 17, 2024, Regional Council approved the resumption of VHT work through report FN-12-24.

Separate from this 2024 Tax Policy report, Town staff have also presented on the May 13th agenda a separate report (ES-09-24), which provides further detail and recommendations with respect to a potential VHT program within the Town.

Rebate for Charitable Organization Program (page 12 of FN-11-24)

In alignment with the requirements of Section 361 of the Municipal Act, a rebate is provided for eligible charitable organizations. For 2024, the Region has approved a continuation of the existing program that provides a rebate of 40% of the current year's Commercial taxes, with no change in eligibility criteria. The cost of the charity rebate in 2023 for the Town of Milton was \$29,961.

Relief for lower income seniors (page 13 of FN-11-24)

The Town of Milton currently offers a program to assist lower income persons with their property taxes by allowing the 'year over year' tax increase to be deferred. This program is mandated by the Province through S.319 of the Municipal Act and is offered to both low income senior and low income persons with disabilities. The deferral is registered as a

lien on title and must be paid back to the Municipality with interest at such time the applicant no longer owns the property. This mandatory deferral program has been in effect since 1998 and to date; the Town has not received any applications.

A second deferral program was introduced in 2016 and approved by the Region of Halton on March 23, 2016 and is being offered in addition to, and mutually exclusive of, the existing year over year deferral program referred to above. This program is referred to as the Older Adults Property Tax Deferral Program (OATDP).

Key highlights of the OATDP:

- Full deferral of the annual taxes levied.
- All registered owners of a property must apply and to qualify must be 65 years of age by the end of the current year and the combined annual gross income must not exceed \$66,100.
- If the registered owners elect to participate in the OATDP they are precluded from participating in the Town's current program.
- The deferral is interest free to the registered owner. Interest is paid by the Region to the participating municipality.
- When the owner of the property becomes ineligible, there is a one year grace period whereby taxes are deferred and the region continues to pay the interest.
- Full amount of deferred taxes is owing either at the end of the grace period or on the sale of the property, whichever is earlier.
- The program is administered by each participating local municipality.
- Annual renewal applications must be submitted.

To date, the Town of Milton has two active enrollments in this full tax levy deferral program.

THE CORPORATION OF THE TOWN OF MILTON

BY-LAW NO. XXX-2024

BEING A BY-LAW TO PROVIDE FOR THE LEVY AND THE COLLECTION OF RATES OF LEVIES REQUIRED FOR THE TOWN OF MILTON FOR THE YEAR 2024 AND TO PROVIDE FOR THE MAILING OF NOTICES DEMANDING PAYMENT OF TAXES FOR THE YEAR 2024

WHEREAS section 3 of the Assessment Act, R.S.O. 1990, c. A.31, as amended, provides that all real property, with specific exceptions, is subject to assessment and taxation,

WHEREAS Section 312 of The *Municipal Act*, 2001, provides that the Council of a local municipality shall, after the adoption of estimates for the year, pass a by-law to levy a separate tax rate on the assessment in each property class (Appendix A attached hereto),

AND WHEREAS sections 307 and 308 of the said *Act* require tax rates to be established in the same proportion to tax ratios,

AND WHEREAS certain regulations require reductions in certain tax rates for certain classes or subclasses of property.

AND WHEREAS the Council of the Region of Halton shall pass the Regional Rating By-law, directing the Council of the Town of Milton to levy the 2024 tax rates as approved for Regional general and special purposes including Waste Management for leaf/yard services.

AND WHEREAS estimates for the upper and lower tier and for education purposes have been prepared showing the sum of \$262,999,985 is required to be raised for the lawful purpose of the Corporation of the Town of Milton for the year 2024 which estimates are made up as follows:

- 1. Town of Milton
 - General Municipal Services \$ 99,180,872
- 2. Region of Halton
 - General Regional Services \$ 91,674,915
 - Enhanced Regional Services – leaf/Yard pickup (Urban) \$ 407,753
- 3. Downtown Business Improvement Area \$ 270,990
- 4. Education \$ 71,465,455

AND WHEREAS the following is a correct statement of the taxable assessment for the Town of Milton (Appendix B attached hereto):

1. Town of Milton	
• General Municipal Services	28,553,028,163
2. Region of Halton	
• General Regional Services	28,552,791,163
• Enhanced Regional Services–leaf/yard services (Urban)	25,392,391,826
3. Downtown Business Improvement Area	78,685,662
4. Education	28,553,028,163

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWN OF MILTON HEREBY ENACTS AS FOLLOWS:

1. **THAT** from time to time, there may be charges, fees, costs or other expenses added onto the tax roll as set forth in the *Assessment Act* and *Municipal Act* and any other applicable Acts and the By-laws in force in this municipality. Such charges, fees, costs or other expenses shall be deemed to be taxes, collected as taxes, or collected in the same manner as municipal taxes, or dealt with in such fashion as may be specifically authorized by the applicable statute;
2. **AND THAT** the 2024 Interim tax levies, shall be shown as a reduction on the final tax levy;
3. **AND THAT** the 2024 tax rates detailed in Schedule “A” to this By-law be adopted and applied against the whole of the assessment for real property in each of the respective classes as detailed in Schedule “B” to this By-law;
4. **AND THAT** the net amount of taxes levied by this By-law, shall be due and payable in two installments, the first one being the 28th day of June, 2024 and the second one being the 27th day of September, 2024. The 2024 Interim due dates were February 29th 2024 and April 30th, 2024;
5. **AND THAT** the 2024 final due dates for the Pre-Authorized Tax Payment Program be established as follows:

Monthly Pre Authorized Plan: June 28, 2024; July 31, 2024; August 30, 2024; September 27, 2024; October 31, 2024.

Due Date Pre Authorized Plan: June 28, 2024; September 27, 2024

Pre-Authorized Mid-Month Program: June 17, 2024; July 15, 2024; August 15, 2024; September 16, 2024; October 15, 2024

Pre-Authorized Semi-Monthly Program: June 17 and 28, 2024; July 15 and 31, 2024; August 15 and 30, 2024; September 16 and 27, 2024; October 15 and 31, 2024

6. **AND THAT** notwithstanding sections 4 and 5, where the total final levy taxes to be imposed on a property would be less than five (5) dollars, the amount of actual taxes payable shall be zero;
7. **AND THAT** any installment or any part of any instalment of rates, taxes and assessments not paid on or before the day prescribed by the respective section of this By-law which sets out payment of such instalments, shall be subject to a penalty which shall be added to and collected with rates, taxes and assessments and which shall be a percentage charge of One and One Quarter per centum (1 ¼%) on the first day of default and a further One and One Quarter per centum (1 ¼%) for each calendar month thereafter in which default continues;
8. **AND THAT** the Treasurer or delegate are authorized to accept part payment from time to time on account of the oldest outstanding interest, then the oldest outstanding taxes, then penalty charges and then current years taxes due, or alternatively is authorized to refuse acceptance of any such part payment;
9. **AND THAT** the Treasurer is hereby authorized to send the notice provided for by Section 343(6) of *The Municipal Act, 2001*, to the address of the property shown on the Tax Roll or an alternate address as directed in writing by the person taxed;
10. **AND THAT** immediately after sending a tax bill, the Treasurer shall create a record of the date on which it was sent and this record is, in the absence of evidence to the contrary, proof that the tax bill was sent on that date;
11. **AND FURTHER THAT** taxes are payable at the Municipal Offices being 150 Mary St., Milton ON L9T 6Z5, or by mail to PO Box 400, Milton ON L9T 4Z1, or by other means that may be introduced from time to time by the Town of Milton.

PASSED IN OPEN COUNCIL ON May 13, 2024.

Gordon A. Krantz

Mayor

Meaghen Reid

Town Clerk

Schedule "A"
By-law No. XXX-2024
2024 Tax Rates

Description	General Municipal	General Regional	Regional Enhanced Waste	Education	Tax Rate	Tax Rate with Enhanced Waste
Residential/Farm	0.00322715	0.00298296	0.00001470	0.00153000	0.00774011	0.00775481
Multi-Residential	0.00645430	0.00596592	0.00002940	0.00153000	0.01395022	0.01397962
New Multi-Residential	0.00322715	0.00298296	0.00001470	0.00153000	0.00774011	0.00775481
Commercial	0.00470034	0.00434468	0.00002141	0.00770552	0.01675054	0.01677195
Commercial Vacant Units, Excess Land	0.00470034	0.00434468	0.00002141	0.00770552	0.01675054	0.01677195
Commercial Occupied Small-Scale On-Farm	0.00117509	0.00108617	0.00000535	0.00220000	0.00446126	0.00446661
Land Awaiting Development	0.00242036	0.00223723	0.00001103	0.00114750	0.00580509	0.00581612
Industrial	0.00674700	0.00623648	0.00003073	0.00880000	0.02178348	0.02181421
Industrial Vacant Units, Excess Land	0.00674700	0.00623648	0.00003073	0.00880000	0.02178348	0.02181421
Industrial New Construction	0.00674700	0.00623648	0.00003073	0.00880000	0.02178348	0.02181421
Industrial New Construction Vacant/Excess	0.00674700	0.00623648	0.00003073	0.00880000	0.02178348	0.02181421
Pipelines	0.00342627	0.00316701	0.00001561	0.00880000	0.01539328	0.01540889
Farmlands	0.00064543	0.00059659	0.00000294	0.00038250	0.00162452	0.00162746
Managed Forests	0.00080679	0.00074575	0.00000368	0.00038250	0.00193504	0.00193872
Downtown Business Improvement Area	BIA Area 1	BIA Area 2	BIA Area 3			
Commercial	0.00482444	0.00289466	0.00192978			
Commercial Vacant Units, Excess Land	0.00482444	0.00289466	0.00192978			
Industrial	0.00692513	0.00415508	0.00277005			
Industrial Vacant Units, Excess Land	0.00692513	0.00415508	0.00277005			

Schedule "B"
By-law No. XXX-2024
Returned Assessment for 2024 Taxation

Description	2024 Assessment
Residential/Farm	23,470,032,941
Multi-Residential	164,204,118
New Multi-Residential	43,363,800
Commercial	3,747,866,942
Commercial Small-Scale On-Farm Business	85,200
Land Awaiting Development	6,034,000
Industrial	584,658,936
Pipelines	111,770,000
Farmlands	383,064,127
Managed Forests	41,948,099
Total Assessment	28,553,028,163

Report To:	Regional Chair and Members of Regional Council
From:	Cyndy Winslow, Commissioner, Finance and Regional Treasurer
Date:	April 17, 2024
Report No.:	FN-11-24
Re:	2024 Tax Policy

Recommendation

1. THAT the following tax ratios be adopted for the 2024 taxation year:

Residential	1.0000
Multi-Residential	2.0000
New Multi-Residential	1.0000
Commercial	1.4565
Industrial	2.0907
Pipe Line	1.0617
Farm	0.2000
Managed Forests	0.2500
Landfill	1.4565

2. THAT the 2024 taxation rates for Regional services as set out in Attachment #1 to Report No. FN-11-24 re: "2024 Tax Policy" be adopted.
3. THAT Halton Region continues to provide the following rebates and deferrals to be funded through the Council-approved 2024 Non-Program operating budget:
 - a. Provide a tax rebate for Registered Charitable Organizations under Section 361 of the Municipal Act, 2001 at a rate of 40% of the current year's taxes applicable to the space occupied as set out in By-Law No. 120-98, as amended;
 - b. Provide a property tax increase deferral on residential properties to low income older adults and low income persons with disabilities under Section 319 of the Municipal Act, 2001;

- c. Provide a full property tax deferral to low income older adults under the Older Adults Property Tax Deferral Program as set out in By-law No. 20-16, as amended;
 - d. Cost-share with the local municipalities for the property tax rebate program for low income older adults in the same proportion as their share of the total current year taxes subject to the rebate being established by a by-law under Section 365 of the Municipal Act, 2001;
 - e. Provide a reduction or refund of the Regional portion of property taxes for eligible Heritage Property in the same proportion as that provided for by the local municipalities' by-laws established under Section 365.2 of the Municipal Act, 2001.
4. THAT the Director of Legal Services be authorized to prepare all necessary by-laws to establish the aforesaid 2024 taxation rates, taxation policies, and property tax relief programs.
 5. THAT the Regional Clerk forward a copy of Report No. FN-11-24 and the related by-laws to the City of Burlington, the Town of Halton Hills, the Town of Milton and the Town of Oakville.

Report

Executive Summary

- Under the *Municipal Act, 2001*, Regional Council must annually approve tax policies to set the upper-tier rating by-laws, tax ratios, and tax relief programs.
- Policy options are outlined in this report and the “2024 Current Value Assessment (CVA) and Tax Policy Reference Manual” is provided under separate cover to this report.
- The combined total assessment change for the 2024 taxation year is 1.80% which is comprised solely of the net in-year assessment growth. There is no phase-in valuation impact due to the Province’s continued postponement of the reassessment update.
- The Region’s tax impact, including Police, is 5.1%.

- It is recommended that the Region continues to provide the following rebates and deferrals to be funded through the Council-approved 2024 operating budget from Non-Program:
 - Provide a tax rebate for Registered Charitable Organizations at a rate of 40% of the current year's taxes applicable to the space occupied; the 2024 budget is \$148,000;
 - Provide a property tax increase deferral on residential properties to low income older adults and low income persons with disabilities; the 2024 budget is \$200,000 and is combined with the full property tax deferral program below;
 - Provide a full property tax deferral to low income older adults under the Older Adults Property Tax Deferral Program; the 2024 budget is \$200,000 and is combined with the property tax increase deferral program above;
 - Cost-share with the local municipalities for the property tax rebate program for low income older adults in the same proportion as their share of the total current year taxes; the 2024 budget is \$150,000;
 - Provide a reduction or refund of the Regional portion of property taxes for eligible Heritage Property in the same proportion as that provided for by the local municipalities' by-laws; the 2024 budget is \$50,000.

Background

The purpose of this report is to provide Regional Council with recommendations regarding property taxation for 2024 and to obtain approval for the 2024 Regional property tax rates.

In accordance with the Municipal Act, 2001, the Region is required to pass by-laws and/or implement programs as follows:

- Upper-tier tax ratio setting
- Upper-tier rating by-law(s)
- Relief program for low income older adults and low income persons with disabilities
- Rebate program for charitable organizations

Further, under separate cover to this report is the "2024 Current Value Assessment (CVA) and Tax Policy Reference Manual" to assist members of Regional Council and the public in understanding assessment and property tax in Ontario, and specifically in Halton Region. This manual is also available to the public through Halton's website (www.halton.ca).

Discussion

The final Regional tax rates are calculated by taking the assessment information from the Municipal Property Assessment Corporation (MPAC), weighting the assessment based on the tax ratios and dividing the 2024 Regional levy requirement by the weighted assessment. The following section provides information on each of these components.

Assessment Changes

As shown in Table 1 below, the combined total assessment change for the 2024 taxation year is 1.80%, which is the change in the weighted taxable assessment from the tax roll used for the 2023 taxation year to the tax roll used for the 2024 taxation year.

Table 1: 2024 Combined Total Assessment Change

Taxable Weighted Assessment						
Class	2023 Tax Year	2023 Year End	% Change for In-Year Growth	2024 Tax Year	% Change related to Phase In Valuation	Total % Change
Residential	\$ 132,232,840,121	\$ 134,465,513,565	1.69%	\$ 134,465,513,565	0.00%	1.69%
Multi-Residential	6,432,838,096	6,472,627,096	0.62%	6,472,627,096	0.00%	0.62%
New Multi-Residential	244,449,676	344,450,476	40.91%	344,450,476	0.00%	40.91%
Commercial	25,915,661,628	26,680,470,029	2.95%	26,680,470,029	0.00%	2.95%
Industrial	6,568,634,154	6,527,492,990	-0.63%	6,527,492,990	0.00%	-0.63%
Pipe Line	325,614,896	327,205,323	0.49%	327,205,323	0.00%	0.49%
Farm	194,421,212	195,388,955	0.50%	195,388,955	0.00%	0.50%
Managed Forests	15,952,685	18,996,996	19.08%	18,996,996	0.00%	19.08%
Total	\$ 171,930,412,468	\$ 175,032,145,429	1.80%	\$ 175,032,145,429	0.00%	1.80%
Taxable Weighted Assessment						
Municipality	2023 Tax Year	2023 Year End	% Change for In-Year Growth	2024 Tax Year	% Change related to Phase In Valuation	Total % Change
Burlington	\$ 52,262,960,900	\$ 52,795,160,053	1.02%	\$ 52,795,160,053	0.00%	1.02%
Halton Hills	15,605,922,292	15,823,799,407	1.40%	15,823,799,407	0.00%	1.40%
Milton	29,967,540,163	30,732,897,008	2.55%	30,732,897,008	0.00%	2.55%
Oakville	74,093,989,113	75,680,288,961	2.14%	75,680,288,961	0.00%	2.14%
Total	\$ 171,930,412,468	\$ 175,032,145,429	1.80%	\$ 175,032,145,429	0.00%	1.80%

Notes: The % change columns in both tables do not total 1.80% due to the use of different bases in each calculation

The 1.80% increase solely relates to the net in-year growth in assessment in 2023. The phase-in valuation change of 0.0% is due to the assessments reaching full value in 2020 and the postponement of the 2021 reassessment for the 2021, 2022, 2023 and 2024 tax years. This means that assessments used for the 2024 taxation year will continue to be based on the same valuation date that was in effect for the 2023 taxation year of January 1, 2016.

The net in-year assessment growth of 1.80% for 2023 incorporates all additional assessment generated from new development that has been valued by MPAC during the year. The increase in assessment is offset by reduced assessment values resulting from Assessment

Review Board appeal settlements and Requests for Reconsideration settlements. The net in-year assessment growth results in a reduction to the tax impact as per the 2024 Budget and Business Plan, which supports the costs of maintaining levels of service in a growing community.

In contrast, valuation changes based on MPAC's reassessment do not generate any additional tax revenue but rather result in a redistribution of the relative tax share among the property classes. As noted above, there are no valuation changes in 2024.

Postponement of the Reassessment

Property taxation is based on the assessed value of properties, and in Ontario those assessments are reviewed and updated every four years by MPAC. The next property valuation update, known as a reassessment, was scheduled to be completed by MPAC in 2020 for the 2021 taxation year. However, due to the unique and unforeseen challenges of the COVID-19 pandemic that all municipalities, residents, and businesses faced during 2020, the Province announced in the March 2020 Economic and Fiscal Update that it was postponing the reassessment to maintain stability in the context of the emerging pandemic.

On August 16, 2023, the Province filed Ontario Regulation 261/23 which officially extended the January 1, 2016 current value assessment base year to apply to the 2024 taxation year, and reaffirmed that the property tax reassessments would continue to be postponed for the 2024 tax year. With the postponement of the reassessment in 2024, the valuation date of a property's current value assessment remains as at January 1, 2016 and, excluding any in-year changes to a property, the current value assessment used for 2024 taxation is the same as what was used for 2023 taxation.

In a letter to the Minister of Finance dated January 24, 2024, the Municipal Finance Officers' Association of Ontario (MFOA) has expressed strong support for a timely return to the assessment cycle.

Through the *2024 Ontario Budget* released on March 26, 2024, the Province provided an update that it is undertaking a review of the property assessment and taxation system. Consultations have commenced to seek input on the scope and priority areas of the review and will continue with broader engagement from across the province starting early spring. The Province confirmed that the provincewide reassessment will continue to be deferred until this review is complete.

2024 Regional Levy Requirement

Regional Council approved the net Regional levy requirement of \$525,222,767 through Report No. FN-43-23 re: “2024 Budget and Business Plan and Disposition of 2023 Surplus”, which assumed 2023 in-year assessment growth of 1.70%.

The final assessment information from MPAC was finalized in December 2023, the day before Council was scheduled to approve the 2024 Budget and Business Plan. As a result of this timing, there is a variance between the budgeted and actual assessment growth. The actual 2023 in-year assessment growth was 1.80%, which is 0.10% higher than the budgeted assessment growth of 1.70%. To reflect the higher than budgeted assessment, an adjustment to the net levy requirement is required from \$525,222,767 to \$525,734,316 in 2024, an increase of \$511,549 as shown in Table 2 below, and a transfer to the Tax Stabilization reserve of \$511,549, approved through Report No. FN-43-23, will be made for this surplus. The 2024 Regional Levy By-law accompanies Report No. FN-11-24 for approval.

Table 2: 2024 Actual Assessment Growth

	2024 Budget	2024 Levy	Difference
Assessment Growth	1.70%	1.80%	0.10%
Tax Increase	5.1%	5.1%	0.0%
Net Levy Requirement	\$525,222,767	\$525,734,316	\$511,549

Tax Ratios

One of the limited tools provided by the Province to municipalities in setting tax rates is the ability to adjust tax ratios to address tax shifts created through reassessments.

The *2024 Ontario Budget*, released on March 26, 2024, announced that effective immediately, the Province is providing municipalities with the flexibility to offer a reduced municipal property tax rate on new multi-residential properties to further encourage the development of purpose-built rental properties. Ontario Regulations 140/24 and 141/24 were released on March 27, 2024 related to the new multi-residential property municipal reduction.

Since 2017, Halton Region’s tax ratio for the New Multi-Residential class has been 1.0, which is aligned with the tax ratio of the Residential class. It is important to note that any reduction in tax ratios will shift the tax burden onto the other property classes, primarily the residential class. Regional staff, together with the Local Municipalities, will review the options and impacts of offering a reduced property tax rate on new multi-

residential properties and bring forward the analysis and a recommendation as part of the 2025 Tax Policy process.

Regional staff are proposing no changes to the 2024 tax ratios as shown in Table 3 below. The 2024 Regional Tax Ratio By-law accompanies this report for approval.

Table 3: 2024 Tax Ratios

Property Class	Ranges of Fairness (O. Reg. 386/98)	Halton Region Tax Ratios		Threshold Ratios (O. Reg. 73/03)
		2023	2024	
Residential	1.00*	1.0000	1.0000	2.0000
Multi-Residential	1.00 - 1.10	2.0000	2.0000	
New Multi-Residential	1.00 - 1.10	1.0000	1.0000	
Commercial	0.60 - 1.10	1.4565	1.4565	1.9800
Industrial	0.60 - 1.10	2.0907	2.0907	2.6300
Pipe Line	0.60 - 0.70	1.0617	1.0617	
Farm	0.0 - 0.25**	0.2000	0.2000	
Managed Forests	0.25***	0.2500	0.2500	
Landfill	0.60 - 1.10	1.4565	1.4565	25.0000

*Section 308 of the *Municipal Act, 2001* sets the tax ratio for Residential as 1.0

**Section 308.1 of the *Municipal Act, 2001* restricts the tax ratio for Farm to be 0.25 or lower

***Section 308.1 of the *Municipal Act, 2001* sets the tax ratio for Managed Forests as 0.25

2024 Tax Rate

As shown in Table 4 below, the 2024 final tax rates are calculated based on the assessment changes, 2024 levy requirements, and the tax ratios noted above. The blended Regional residential urban tax rate is 0.00300470.

Table 4: 2024 Final Tax Rates

2024 Regional Residential Tax Rates		
Regional Services	2024 Levy	Urban Residential Tax Rate
General	\$ 318,326,764	0.00181868
Police	203,786,630	0.00116428
Waste Management		
Burlington	1,327,743	0.00002586
Halton Hills	409,264	0.00003466
Milton	407,753	0.00001470
Oakville	1,476,161	0.00001951
Total *	\$ 525,734,316	0.00300470

Schedule may not add due to rounding

*Total Tax Rate based on combined Waste Mgmt rate

There are three components to the Regional Levy: Regional General Services, Police Services and Waste Management Services. For the 2024 taxation year, Regional General Services now includes basic waste, recycling and organics, and these services as well as Police Services are funded by the entire assessment base. The balance of Waste Management Services, which is the Enhanced Waste (collection of yard waste, Christmas trees etc.), is calculated on an area rating specific to each local municipal assessment base under Section 326 of the *Municipal Act, 2001* as service levels vary by local municipality. In Halton Region, Enhanced Waste services are provided to urban properties in the City of Burlington, the Town of Halton Hills, the Town of Milton, and the Town of Oakville. Rural properties do not receive these services.

Rural Halton Hills Waste Collection

As reported and approved by Regional Council through Report No. PW-34-23 re: "Rural Halton Hills Waste Collection" the collection of garbage, bulk waste, metal and appliances will commence the week of April 1, 2024 for households in rural Halton Hills. The additional cost to provide this service has been included in the 2024 Budget. As there is now a consistent level of service across Halton Region for Basic Waste services, the tax rate will be harmonized in 2024. Starting in 2024, all urban and rural residents in Halton Region will pay \$16.59 per \$100,000 current value assessment (CVA) for Basic Waste Services. Changing from area-specific basic waste rates to a harmonized rate across the Region has caused a one-time shift in the 2024 Regional tax impacts between local municipalities, however the overall Regional tax impact remains at 5.1%.

Regional staff continue to review the Enhanced Waste service for harmonization opportunities to move toward a Region-wide waste management tax rate in future years. Attachment #1 to this report contains the Regional tax rates for 2024 for all property classes, and are included in the 2024 Regional Levy By-law, which accompanies this report for approval.

Education Tax Rates

The Region received the final Education tax rates for 2024 from the Ministry of Finance through O. Reg. 5/24 which amended O. Reg. 400/98 of the *Education Act*. The education property tax rates for 2024 remain unchanged from the previous year as assessments continue to be based on January 1 2016, which is the same valuation date used for 2023. Table 5 below summarizes the 2024 education rates by property class applicable for the Region.

Table 5: Final Business Education Tax Rates

Final Education Rates	
Property Class	2024 Tax Year
Residential	0.00153000
Multi-Residential	0.00153000
New Multi-Residential	0.00153000
Commercial	0.00770552
Commercial - Small-Scale On-Farm Business	0.00220000
Industrial	0.00880000
Industrial - Small-Scale On-Farm Business	0.00220000
Pipe Line	0.00880000
Farm	0.00038250
Managed Forests	0.00038250
Landfill	0.00864766

2024 Tax Impact

The Region’s tax increase for 2024 is 5.1%. Table 6 provides a summary of the combined Regional tax impact by municipality for an urban residential property per \$100,000 of CVA.

Table 6: Combined Regional Tax Impact

Residential Tax Impacts per \$100,000 CVA					
2024 Taxes	Combined				Blended Regional Tax Only
	Burlington	Halton Hills	Milton	Oakville	
Regional Services:					
General & Waste Management	\$ 184.45	\$ 185.33	\$ 183.34	\$ 183.82	\$ 184.04
Police	116.43	116.43	116.43	116.43	116.43
Sub-total	\$ 300.88	\$ 301.76	\$ 299.77	\$ 300.25	\$ 300.47
Local Municipal Services:					
General	464.27	442.17	322.72	342.57	
Education	153.00	153.00	153.00	153.00	
Total	\$ 918.15	\$ 896.93	\$ 775.48	\$ 795.82	\$ 300.47
2023 Taxes	Burlington	Halton Hills	Milton	Oakville	Blended Regional Tax Only
Regional Services:					
General & Waste Management	\$ 178.99	\$ 180.21	\$ 179.97	\$ 175.64	\$ 177.81
Police	108.21	108.21	108.21	108.21	108.21
Sub-total	\$ 287.20	\$ 288.41	\$ 288.18	\$ 283.85	\$ 286.01
Local Municipal Services:					
General	421.24	405.53	293.69	323.59	
Education	153.00	153.00	153.00	153.00	
Total	\$ 861.44	\$ 846.95	\$ 734.87	\$ 760.44	\$ 286.01
Dollar Impact of Total Taxes	\$ 56.71	\$ 49.99	\$ 40.62	\$ 35.38	\$ 14.46
Percentage Impact of Total Taxes	6.6%	5.9%	5.5%	4.7%	5.1%

Schedule may not add due to rounding

2024 Tax Allocation

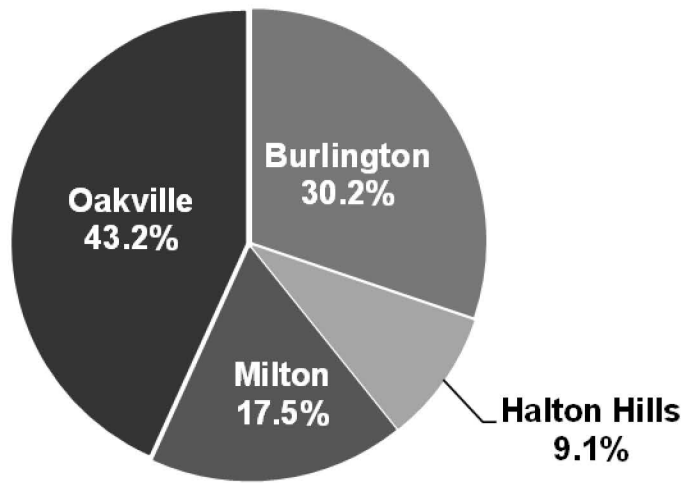
The percentage breakdown of the final 2024 taxes for Regional, Local and Education taxes for an urban residential property in each local municipality is shown in Table 7 below.

Table 7: Share of Residential Taxes by Municipality

Percentage Share of Residential Taxes by Municipality				
	Burlington	Halton Hills	Milton	Oakville
Region	32.8%	33.6%	38.7%	37.7%
Local	50.6%	49.3%	41.6%	43.0%
Education	16.7%	17.1%	19.7%	19.2%
	100.0%	100.0%	100.0%	100.0%

Chart 1 below illustrates the percentage share of the Regional levy by each local municipality.

Chart 1: Local Municipal Share of Region Levy



Small-Scale On-Farm Business Subclass

In 2018, the Province amended O. Reg. 282/98 under the *Assessment Act* to create optional subclasses for small-scale on-farm business for each of the industrial and commercial property classes. Starting in 2018, municipalities would have the option to adopt the new subclass, which would provide a 75% reduction on municipal taxes for the first \$50,000 of assessment. The Region adopted the subclass in 2020 through Report No. FN-12-20 re: “2020 Tax Policy”.

Starting in 2022, municipalities have the option to adopt a second subclass that would increase the eligible assessment amount to \$100,000. Offering a second subclass with a property tax reduction based on a higher threshold would require shifting the tax burden to other properties. The Province will apply a reduced business education tax rate to this increased \$100,000 threshold for all eligible properties, regardless of whether or not municipalities adopt the subclass.

Based on the returned roll for the 2024 tax year, there are no properties that have been identified as eligible for this additional subclass in Halton Region. Staff will continue to monitor the assessment roll annually and report back with an update, including potential impacts and recommendations, as part of the 2025 Tax Policy Report.

Optional Vacant Homes Tax

On November 22, 2023, through Report No. FN-41-23 re: “Optional Vacant Homes Tax in Halton Region Update”, staff provided Council with an update on the work undertaken to date to develop a proposed VHT Program Framework for Halton Region, including the results from the public engagement. The design and implementation study is dependent on the Provincial Policy Framework as Halton Region’s proposed VHT Program Framework will include a vacancy definition, eligible property types, the tax rate and exemptions. Without the Provincial Policy Framework, there is a risk of designing a Regional program that is not consistent with the Provincial framework. At the November 22, 2023 Regional Council meeting, Council passed a motion and directed staff to pause work on the program and for staff to report back to Regional Council once the related Provincial framework is released, or as part of the 2024 Tax Policy report, whichever comes first.

In the *2024 Ontario Budget*, released on March 26, 2024, the Province announced the release of the new Provincial Policy Framework to support municipalities by setting out best practices for implementing a Vacant Homes Tax. The Province also announced that it is extending authority broadly to all single- and upper-tier municipalities to impose a municipal tax on vacant homes. Effective March 27, 2024, municipalities will not be required to seek approval from the Minister of Finance prior to introducing Vacant Home Taxes.

On March 27, 2024, the Provincial Policy Framework was released, which provides guidelines and recommendations for municipal Vacant Home Taxes. For municipalities that choose to implement a Vacant Home Tax, the Province expects that they follow the policy intent and recommendations as a measure to increase the supply of housing available in their respective jurisdictions. The framework does not introduce any new

requirements related to municipal Vacant Home Taxes. Further information on the Provincial Policy Framework can be found in Report No. FN-12-24 re: “Update on the Optional Vacant Homes Tax in Halton Region – Provincial Policy Framework released”, which is on the April 17, 2024 agenda for Regional Council’s consideration.

2024 Provincial Property Tax Decisions

In January 2024, the Ministry of Finance released the 2024 Property Tax Decisions letter to establish the business education and railway rights-of-way property tax rates for the 2024 taxation year, and to confirm the continuation of a number of other property tax policies, including:

- Optional Small Business Property Subclass
- Municipal Property Tax Flexibility – Levy Restriction

These are discussed in more detail below.

Business Education & Railway Rights-of-Way Tax Rates

In 2021, the Province limited the Business Education Tax (BET) rates for commercial and industrial properties to 0.88%. Within Halton Region, this reduction benefited the Industrial Property Class which previously had a BET rate of 1.098184%. Commercial properties are at 0.770552%, which is already below 0.88%. The Province will continue to provide the reduction for the 2024 taxation year.

The Province will also maintain the BET rates at the 2023 rate for properties whose payments- in-lieu of education taxes the lower- and single-tier municipalities are permitted to retain. The reduction in BET rates does not impact the Region.

Property tax rates for railway rights-of-way remain unchanged at 2023 levels.

Optional Small Business Property Subclass

The Province will continue to automatically match municipal property tax reductions with a reduction on the education tax portion within any municipality that adopts the optional small business property tax subclass. Through Report No. FN-28-22 re: “Optional Small Business Property Tax Subclass in Halton Region”, Council approved the recommendation that the subclass not be adopted since it would not be an effective tool to provide relief to small businesses in Halton.

Municipal Property Tax Flexibility – Levy Restriction

Municipalities with property classes subject to the levy restriction will continue to have the flexibility to apply a municipal tax increase to those classes of up to 50% of any increase applied to the residential class. A full levy restriction applies to multi-residential properties

with a tax ratio greater than 2.0. The Region does not have any levy restricted classes, therefore this has no impact for the 2024 taxation year.

Tax Relief Programs in Halton Region

Rebates for Charitable Organizations

A rebate program for registered charitable organizations occupying (owned or rented) commercial or industrial properties has been provincially mandated under s. 361 of the *Municipal Act, 2001* since 1998 with the introduction of CVA, and was approved and implemented through By-law No. 120-98, as amended. The mandatory program includes the following discretionary options:

- May provide rebates to organizations that are similar to eligible charities
- May include eligible organizations occupying property in other property classes
- May provide rebates between 40% and 100% and
- May have different rebates for different organizations or charities.

The current program offered in Halton Region provides a rebate of 40% of the current year's taxes for eligible organizations. This level has remained constant since the introduction of the program. This program is administered by the four local municipalities through an annual application process. The deadline to apply for charity rebates is the end of February in the following year.

Staff recommend that Regional Council continue the existing program of providing rebates for charitable organizations, as outlined in By-law No. 120-98, as amended.

The Regional cost of the charity rebate program was \$163,300 in 2023. The 2024 budget is \$148,000.

Older Adults Property Tax Deferral Programs

Deferral of Property Tax Increase

A mandatory tax relief program for low-income older adults and low-income persons with disabilities was introduced as part of the 1998 property tax reform under s. 319 of the *Municipal Act, 2001*. The eligibility criteria for this program are established by upper-tier municipalities and are administered by the local municipalities. The Region established the eligibility criteria which are reviewed as part of the annual tax policy process. The program allows for an interest-free deferral of all annual property tax increases for eligible low-income older adults and low-income persons with disabilities, and all four local municipalities participate in this program. For 2024, Regional staff recommend that Council continue with the existing program. The 2024 Regional By-law for the Property

Tax Increase Deferral Program for Low Income Older Adults and Low-Income Persons with Disabilities accompanies this report for approval.

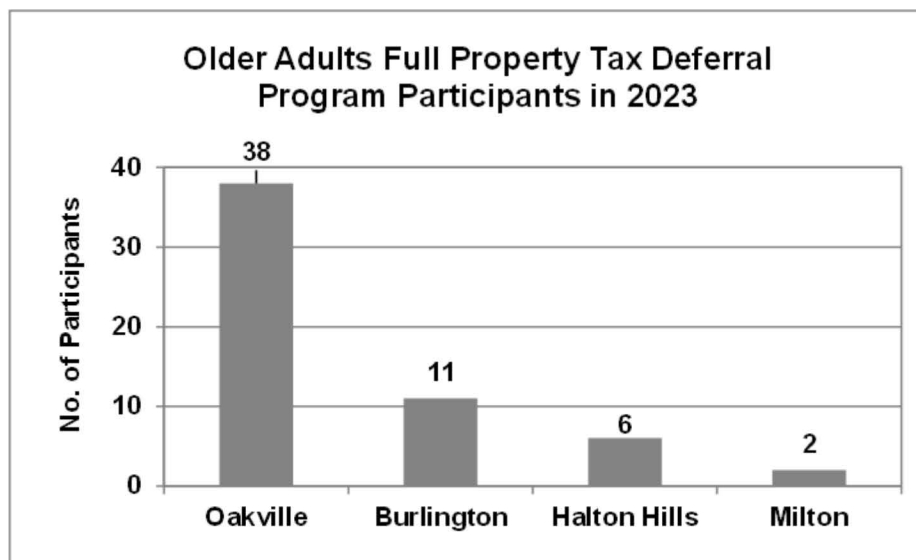
Deferral of Full Property Tax

In March 2016, Regional Council approved Report No. FN-06-16 re: “Implementation of Older Adults Property Tax Deferral Program”, and passed By-law No. 20-16, as amended. This program provides a full property tax deferral program, interest-free to the homeowner, for low-income older adults who own real property in Halton Region. Section 107 of the *Municipal Act, 2001*, permits a municipality to make grants for any purpose that Regional Council considers to be in the interest of the municipality, subject to certain restrictions. The Region provides grants to the local municipalities to fund the interest cost of the deferral. This program was adopted by the four local municipalities and commenced on July 1, 2016.

The program was designed to assist eligible low-income older adults remain in their homes by deferring full property taxes, with the interest paid by the Region. The program is offered in addition to, and mutually exclusive of, the existing property tax increase deferral discussed above for low-income older adults (s. 319 of the *Municipal Act, 2001*), and the local tax rebate programs for low-income older adults under s. 365 of the *Municipal Act, 2001*, as set out below. For example, if an older adult is accepted for the full tax deferral program, then the same person is not eligible for a local tax rebate program or the tax deferral for the property tax increase for low-income older adults.

In 2023, a total of 57 households participated in the full property tax deferral program Region-wide as shown in Chart 2 below.

Chart 2: Older Adults Full Property Tax Deferral Program Participation



The program is reviewed annually and any changes to the program are brought forward to Council for consideration as part of the annual tax policy report. For 2024, Regional staff recommend that Council continue with the existing program.

The cost of the deferral of property tax increase and deferral of full property tax programs was \$219,000 in 2023. The combined 2024 budget for both programs is \$200,000.

Local Tax Rebate for Low Income Older Adults

Tax rebate programs for low-income older adults are offered by the City of Burlington, the Town of Halton Hills and the Town of Oakville through s.365 of the *Municipal Act, 2001*. This section allows lower-tier municipalities to provide for the cancellation, reduction, or refund of taxes for municipal and school purposes for an eligible property of any person whose taxes are considered to be unduly burdensome. The Council of the lower-tier municipality defines “unduly burdensome” and the rebate criteria. Upper-tier municipalities may cost share in the rebate programs in the same proportional share as the tax revenues. A by-law is required to establish the cost-sharing by the upper-tier municipality. If the upper-tier does not cost share in the program, then the lower-tier is responsible for the portion of the costs relating to the upper-tier municipality.

Halton Region has participated in cost-sharing the low-income older adults’ tax rebates since 2008. The proportion of the rebate for education taxes is automatically shared with the school boards. Older adults apply annually through an application form which is available from the local tax office or the websites in each participating municipality.

The Town of Halton Hills has offered a rebate program based on participants receiving a monthly guaranteed income supplement under Part II of the *Old Age Security Act*. The Town’s rebate is \$500 as set out in the Town’s By-law No. 2018-0015.

For 2023, the Town of Oakville’s rebate was \$500 for older adults with a maximum combined household income of \$34,259. The Town’s By-law to approve their 2024 rebate program is expected to be presented to Town Council on April 29, 2024.

Staff recommend that the Region continue to cost-share in the local rebate programs for low income older adults with the Town of Halton Hills and the Town of Oakville for the 2024 taxation year. The 2024 Regional By-law to authorize the cost sharing of Tax Rebates to eligible owners of real property in the Town of Halton Hills accompanies Report No. FN-11-24 for approval. The Regional By-law to authorize the cost sharing of Tax Rebates to eligible owners of real property in the Town of Oakville will be provided for Council’s approval in May following approval of the Town’s By-law which is expected on April 29, 2024.

As set out through the City of Burlington's By-law No. 102-2020, the City's Senior low-income rebate program offered a rebate of \$550 in 2023 based on participants receiving a monthly guaranteed income supplement under Part II of the *Old Age Security Act*. The City is currently reviewing its program based on direction from City Council. On November 21, 2023, City staff presented Report No. F-47-23 (re: Property tax relief program update to City Council), and staff were directed to report back to City Council in 2024 with a proposed low-income property tax rebate program, an amended income threshold, and rebate amount of \$575, effective for the 2024 taxation year. Should the program be approved, it is anticipated that the City will request the Region to cost-share in its revised program.

Staff recommend that the Region continue to cost-share in the City of Burlington's Senior low income rebate program as set out through City By-law No. 102-2020 for the 2024 taxation year. The 2024 Regional By-law to authorize the cost sharing of Tax Rebates to eligible owners of real property in the City of Burlington accompanies Report No. FN-11-24 for approval. Any changes to the City's program will be brought forward through the Region's 2025 budget process for Council's consideration.

The total Regional cost of the older adults rebate program was \$142,800 in 2023. The 2024 budget is \$150,000.

Local Tax Rebate for Eligible Heritage Property

Pursuant to section 365.2 of the *Municipal Act, 2001*, a local municipality may establish a program to provide tax reductions or refunds to eligible heritage properties. Currently, the City of Burlington and the Town of Halton Hills have established local programs.

In 2015, Regional Council approved cost share in the Local Municipal Heritage Property Tax Rebate programs for eligible properties through Report No. FN-45-15 re: "Heritage Properties Tax Rebate Program" and Report No. FN-52-15 re: "2016 Budget and Business Plan and Disposition of the 2015 Surplus", and passed By-law No. 133-15, as amended.

Under the Heritage Property Tax Rebate program, the Region provides a reduction or refund of the Regional portion of property taxes for an eligible heritage property that is the same as that provided by the lower-tier by-law.

In addition to the 40% rebate offered to residential properties, the City of Burlington offers a 20% rebate to commercial properties.

For 2024, the following rebates will be provided by the Region:

- In the City of Burlington, a total rebate of 40% for eligible residential properties, and 20% for eligible commercial properties of taxes levied for upper-tier purposes.
- In the Town of Halton Hills, a total rebate of 20% of taxes levied for upper-tier purposes for eligible properties.

Staff recommend that the Region continue to provide a reduction or refund of the Regional portion of property taxes for eligible Heritage Property in the same proportion as that provided for by the local municipalities for the 2024 taxation year as outlined above.

The Regional cost of the Heritage Property Tax Rebate program was \$57,500 in 2023. The 2024 budget is \$50,000.

Financial/Program Implications

The financial impacts of this report are in accordance with the Region's 2024 Budget and Business Plan.

Respectfully submitted by,

Debbie Symons
Director, Budgets and Tax Policy

Cyndy Winslow
Commissioner, Finance and
Regional Treasurer

Approved by,

Jane MacCaskill
Chief Administrative Officer

If you have any questions about the content of this report, please contact:
Debbie Symons, Director, Budgets and Tax Policy

Attachments:

Attachment # 1 - 2024 Regional Tax Rates

Attachment # 2 - 2024 Current Value Assessment (CVA) and Tax Policy Reference Manual

Additional Information:

The sources listed below are for supplemental information and reference only. Halton Region is not responsible for the currency, accuracy, or legality of the content from any external links.

N/A