



The Corporation of the Town of Milton

Report To:	Council
From:	Glen Cowan, Chief Financial Officer / Treasurer
Date:	May 27, 2019
Report No:	CORS-026-19
Subject:	2019 Final Tax Levy By-law and Tax Policy update
Recommendation:	<p>THAT the 2019 final tax rates for the Town of Milton that are identified in Appendix A, including a general tax rate for the Town that is based on a levy requirement of \$63,604,822 and assessment growth of 2.87%, be approved;</p> <p>AND THAT the final due dates for 2019 tax payments that are identified in Appendix A be approved;</p> <p>AND THAT the final tax rate by-law on tonight's agenda be considered for approval.</p>

EXECUTIVE SUMMARY

Through this report, staff are recommending Council approve the 2019 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 2019 Budget.

This report also establishes the tax due dates for the remainder of 2019 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 A, once approved by Council, will provide for a 2019 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

Local Municipal Tax Rate Setting Overview

1) *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.

For the 2019 taxation year, the Region has approved the continuance of the 2018 Tax Ratios as follows.

Class	2018 Tax Ratios	2019 Tax Ratios
Residential	1.000000	1.000000
Multi Residential	2.000000	2.000000
New Multi Residential	1.000000	1.000000
Commercial occupied	1.456500	1.456500
Commercial vacant land	1.019550	1.019550
Industrial occupied	2.359900	2.359900
Industrial vacant land	1.533935	1.533935
Land awaiting development	0.750000	0.750000
Pipeline	1.061700	1.061700
Farmland	0.200000	0.200000
Managed Forest	0.250000	0.250000

2) *2019 Reduction and Discount Factors*

The Province, over the last few years, have provided municipalities the flexibility to modify their business vacancy rebate and reduction programs, including the Vacant and Excess land subclass discount. Through this opportunity, a review has been undertaken of vacant and excess land subclass discount, which currently provides a tax reduction of 30% to commercial and 35% to industrial properties with vacant or excess land.

After a consultation process involving the local municipalities' tax teams, Regional and Area Municipal Treasurers, Planners, Economic Development, Business Improvement Area groups and property owners, staff recommended and Regional Council approved requesting Ministry of Finance approval to remove of the discounts for the 2020 taxation



The Corporation of the Town of Milton

year. The benefit of the removal of the discount will be directed to reduce the industrial tax ration in 2020.

Although the lower and upper tier will not be removing the subclass discount until the 2020 taxation year, the Province has started the phasing-out of the vacant and excess land subclass discount on the education portion commencing in 2019. This announcement from the Province has resulted in the below discount factors accordingly:

Class	Local	Region	Education
Farmlands	80%	80%	75%
Managed Forests	75%	75%	75%
Commercial Vacant/Excess land	30%	30%	15%
Industrial Vacant/Excess land	35%	35%	17.5%
Land awaiting Development	75%	75%	75%

Similar to the Town and Region, the discounts on the education portion for commercial and industrial vacant/excess land will be full eliminated in 2020.

3) 2019 Unweighted Assessment

The Municipal Property Assessment Corporation (MPAC) is responsible for submitting to the Town the annual assessment roll. The unweighted assessment for 2019 as provided on that returned roll equals:

Class	2019 Unweighted Assessment
Residential	19,532,096,339
Multi-Residential	145,560,790
New Multi-Residential	12,517,475
Commercial occupied	2,731,302,679
Commercial vacant land	101,920,550
Industrial Occupied	477,629,912
Industrial vacant land	248,984,490
Land awaiting development	17,958,999
Pipelines	104,748,661
Farmland	386,737,802
Managed Forests	38,963,378
Total	23,798,421,075



4) 2019 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 2019 weighted assessment of \$25,638,645,003 is higher than the 2018 amount as a result of a 2.87% increase in net assessment growth and a 5.75% increase due to the 2019 phase-in of the 2016 Provincial reassessment cycle.

Taxable Weighted Assessment Summary						
Class	2018 Tax Year	2018 Year End (Pre-flip)	% Change for in-Year Growth	2019 Tax Year	% Change related to Phase-in Valuation	Total % Change *
Residential	17,934,813,598	18,449,757,323	2.87	19,532,096,339	5.87	8.91
Multi-Residential	282,196,422	285,022,762	1.00	291,121,580	2.14	3.16
New Multi-Residential	9,395,000	12,504,149	33.09	12,517,475	0.11	33.24
Commercial	3,616,612,123	3,899,664,946	7.83	4,082,055,449	4.68	12.87
Industrial	1,511,216,583	1,396,549,188	(7.59)	1,509,084,853	8.06	(0.14)
Land awaiting development	17,811,000	12,190,499	(31.56)	13,469,249	10.49	(24.38)
Pipelines	109,736,713	108,023,006	(1.56)	111,211,653	2.95	1.34
Farmland	77,438,903	72,403,812	(6.50)	77,347,560	6.83	(0.12)
Managed Forests	8,746,165	8,761,790	0.18	9,740,845	11.17	11.37
Total	23,567,966,507	24,244,877,475	2.87%	25,638,645,003	5.75%	8.79%

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

It should be noted that the 2.87% net assessment growth figure presented above consists of a gross assessment growth of 3.16% less 0.29% in losses of assessment value due to appeals and reconsiderations that occurred in 2018. Also that the 5.75% increase due to the phase-in does not result in additional revenue to the Town, rather a redistribution of cost between property owners.

5) Town of Milton 2019 Budget

On February 4, 2019, Milton Council approved the Municipal 2019 levy requirement of \$63,615,211 for Town Services including library. At time of budget approval, assessment growth of 2.89% was assumed based on the latest information that was available at the time. Subsequent to budget approval, the final returned roll was received and the final assessment growth value of 2.87% was identified.



The Corporation of the Town of Milton

As per CORS-068-18, any change in assessment growth should result in both an adjustment to the levy requirement along with an offsetting transfer with the tax stabilization reserve. This adjustment is intended to allow for consistency with the local tax rate change anticipated at the time that Council approved the budget. As such, the levy has been revised to \$63,604,822 in order to reflect the lower assessment growth realized and a transfer of \$10,389 from the tax stabilization reserve has been included. The final budget book has also been updated accordingly.

	2019 Approved Budget	2019 Final Levy
Assessment Growth	2.89%	2.87%
Tax Increase	8.30%	8.30%
Net Levy Requirement	\$63,615,931	\$63,604,822

The tax team, comprised of representatives of Halton Region and the local municipalities, continues to work with MPAC to improve the ability to anticipate the final assessment growth figures.

6) Final 2019 Tax Rate Calculation

Combining the output of each of the above sections, the following table summarizes the calculation of the 2019 tax rates and resulting allocation of the Town's 2019 net budget requirement by property tax class.

2019 Local Municipal Tax Rate Calculation Summary					
Class	2019 Tax Ratio (Section 1)	2019 Unweighted Assessment (Section 2)	2019 Weighted Assessment (Section 3)	2019 Net Budget Requirement (Section 4)*	2019 Tax Rate (Net Budget / Unweighted Assessment)
Residential	1.000000	19,532,096,339	19,532,096,339	\$48,455,615	0.00248082
Multi-Residential	2.000000	145,560,790	291,121,580	\$ 722,220	0.00496164
New Multi-Residential	1.000000	12,517,475	12,517,475	\$ 31,054	0.00248082
Commercial occupied	1.456500	2,731,302,679	3,978,142,352	\$ 9,869,043	0.00361331
Commercial vacant land	1.019550	101,920,550	103,913,097	\$ 257,790	0.00252932
Industrial Occupied	2.359900	477,629,912	1,127,158,829	\$ 2,796,275	0.00585449
Industrial vacant land	1.533935	248,984,490	381,926,024	\$ 947,488	0.00380542
Land awaiting development	0.750000	17,958,999	13,469,249	\$ 33,415	0.00186062
Pipelines	1.061700	104,748,661	111,211,653	\$ 275,895	0.00263389



The Corporation of the Town of Milton

Farmland	0.200000	386,737,802	77,347,560	\$ 191,884	0.00049616
Managed Forests	0.250000	38,963,378	9,740,845	\$ 24,165	0.00062021
Total		23,798,421,075	25,638,645,003	\$63,604,844	

*May contain differences due to rounding.

Consolidated Final 2019 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 A 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 2019 tax rates against the 2018 notional tax rate calculations.

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

	<u>2018 Taxes (Notional)</u>	<u>2019 Tax</u>	<u>Difference</u>
Local Services	229.06	248.08	19.02
Regional Services			
General & Waste Management	171.48	175.62	
Police	99.52	101.08	
Subtotal	271.00	276.69	5.69
Education*	160.25	161.00	0.75
Total	660.31	685.77	25.46

Schedule may not add due to rounding.

* Education tax impacts reflect use of the 2018 calculated notional rates and the 2019 Provincially prescribed rates

The \$685.77 cost per \$100,000 of residential assessment for 2019 represents a 3.86% increase over 2018. Of this amount, the local municipal share is \$248.08 per \$100,000 of residential assessment, which is an increase of 8.30% over the Town's 2018 cost.

Tax Policy

In addition to setting tax ratios and upper tier tax rates, Regional Council also establishes tax policies, the capping program and the tax relief programs. Regional report FN-18-19 was approved on April 17, 2019, incorporating such policies and programs for 2019.



Halton Regional Report FN-18-19, outlines in detail, the key areas that impact the 2019 tax policies. Highlights include:

Capping Program

Capping was introduced by the Province in 1998 as a mandatory program for the protection of properties in the commercial, industrial and multi residential classes against significant increases caused by reassessment.

Commencing 1998, the Town of Milton provided protection to approximately 1,000 properties across all three property classes. In 2018, Milton had 6 properties remaining under protection (5 in the commercial class and 1 in the industrial class). In 2019, Milton has only 5 properties remaining under protection (4 in the commercial class and 1 in the industrial class).

Given the continued decline in the cost of the capping program in recent years, the Region continues to fund the capping program through non-tax based funding so that properties experiencing a decrease in assessment can realized the full reduction rather than having a portion clawed back to fund the capping program.

In 2017, the province introduced new capping options that provides municipalities with additional flexibility to accelerate the movement of capped properties out of the capping program. The Region, in conjunction with the four area municipalities, has approved use of the same capping parameters for 2019 as were used in 2018 including new additional parameters as set out in O.Reg. 73/03 under the Municipal Act, 2001. These new additional parameters are as follows:

- That all properties in a property class be phased out from the capping program over 4 years where the taxes in the previous year for all properties in a property class were equal to or greater than 50% of CVA taxes.
- That properties in the vacant land subclass be excluded from the inventory of properties considered eligible for the 4-year phase out described in the above.
- That reassessment related increases be excluded from the capping calculation.

Relief for lower income seniors

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 new 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 qualify.
- 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 one active enrollment in this full tax levy deferral program.

Rebate for Charitable Organization Program

In alignment with the requirements of Section 361 of the Municipal Act, a rebate is provided for eligible charitable organizations. For 2019, the Region has approved a continuation of the existing program that provides a rebate of 40% of the current year's taxes, with no change in eligibility criteria. The cost of the charity rebate in 2018 for the Town of Milton was \$23,346.

Vacant Unit Rebate

In 2017, the Region and the four area municipalities undertook a consultation and review of the Vacant Unit Rebate Program and determined that the program does not align with Regional goals. As a result through Regional Report FN-11-17 and subsequent approval by the Province, the Vacant Unit Rebate program has been completely phased out as of the 2019 taxation year.



The Corporation of the Town of Milton

Report #:
CORS-026-19
Page 9 of 9

Financial Impact

The Town of Milton's 2019 tax levy is \$63,604,822 and the 2019 Business Improvement Area tax levy is \$220,641. To meet financial obligations, staff are preparing to initiate the billing process for the 2019 final taxes. The installment due dates for the final 2019 billing are to be set as follows:

- **Regular Billing Program:** June 28, 2019; September 30, 2019
- **Monthly Pre Authorized Plan:** June 28, 2019; July 31, 2019; August 30, 2019; September 30, 2019; October 31, 2019
- **Due Date Pre Authorized Plan:** June 28, 2019; September 30, 2019

At a cost of \$248.08 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,

Troy McHarg
Commissioner & Town Clerk, Corporate Services

For questions, please contact: Name: Lesley Payton x2141

Attachments

Appendix "A" – Draft Final Tax Rate By-law
Appendix "B" – Halton Regional Report FN-18-19

CAO Approval
William Mann, MCIP, RPP, OALA, CSLA, MCIF, RPF
Chief Administrative Officer

APPENDIX "A"

THE CORPORATION OF THE TOWN OF MILTON

BY-LAW NO. XXX-2019

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 2019 AND TO PROVIDE FOR THE MAILING OF NOTICES DEMANDING PAYMENT OF TAXES FOR THE YEAR 2019

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 2019 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 \$198,200,015 is required to be raised for the lawful purpose of the Corporation of the Town of Milton for the year 2019 which estimates are made up as follows:

1. Town of Milton
 - General Municipal Services \$ 63,604,822
2. Region of Halton
 - General Regional Services \$ 70,572,719
 - Enhanced Regional Services – leaf/Yard pickup (Urban) \$ 328,808
3. Downtown Business Improvement Area \$ 220,641
4. Education \$ 63,473,025

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	\$23,798,421,075
2. Region of Halton	
• General Regional Services	\$23,798,421,075
• Enhanced Regional Services–leaf/yard services (Urban)	\$20,881,791,559
3. Downtown Business Improvement Area	\$ 75,192,470
4. Education	\$ 23,799,826,825

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 2019 Interim tax levies, shall be shown as a reduction on the final tax levy;
3. **AND THAT** the 2019 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, 2019 and the second one being the 30th day of September, 2019. The 2019 Interim due dates were February 28th 2019 and April 30th, 2019;
5. **AND THAT** the 2019 final due dates for the Pre-Authorized Tax Payment Program be established as follows:

Monthly Pre Authorized Plan: June 28, 2019; July 31, 2019; August 30, 2019; September 30, 2019; October 31, 2019.

Due Date Pre Authorized Plan: June 28, 2019; September 30, 2019

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 $\frac{1}{4}$ %) on the first day of default and a further One and One Quarter per centum (1 $\frac{1}{4}$ %) 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 27, 2019.

Gordon A. Krantz Mayor

William Roberts Acting Town Clerk

Schedule "A"
By-law No. XXX-2019
2019 Tax Rates

Description	General Municipal	General Regional	Regional Enhanced Waste	Education	Tax Rate	Tax Rate with Enhanced Waste
Residential/Farm	0.00248082	0.00275259	0.00001435	0.00161000	0.00684341	0.00685776
Multi-Residential	0.00496164	0.00550518	0.00002870	0.00161000	0.01207682	0.01210552
New Multi-Residential	0.00248082	0.00275259	0.00001435	0.00161000	0.00684341	0.00685776
Commercial	0.00361331	0.00400915	0.00002090	0.00804055	0.01566301	0.01568391
Commercial Vacant Units, Excess Land	0.00252932	0.00280640	0.00001463	0.00683447	0.01217019	0.01218482
Commercial Occupied Small-Scale On-Farm	0.00361331	0.00400915	0.00002090	0.00257500	0.01019746	0.01021837
Land Awaiting Development	0.00186062	0.00206444	0.00001076	0.00120750	0.00513256	0.00514332
Industrial	0.00585449	0.00649583	0.00003386	0.01167241	0.02402273	0.02405659
Industrial Vacant Units, Excess Land	0.00380542	0.00422230	0.00002201	0.00962974	0.01765746	0.01767947
Industrial New Construction	0.00585449	0.00649583	0.00003386	0.01030000	0.02265032	0.02268418
Industrial New Construction Vacant/Excess	0.00380542	0.00422230	0.00002201	0.00849750	0.01652572	0.01654773
Pipelines	0.00263389	0.00292243	0.00001524	0.01030000	0.01585632	0.01587156
Farmlands	0.00049616	0.00055051	0.00000287	0.00040250	0.00144917	0.00145204
Managed Forests	0.00062021	0.00068815	0.00000359	0.00040250	0.00171086	0.00171445
Downtown Business Improvement Area	BIA Area 1	BIA Area 2	BIA Area 3			
Commercial	0.00421829	0.00253097	0.00168732			
Commercial Vacant Units, Excess Land	0.00295280	0.00177168	0.00118112			
Industrial	0.00683470	0.00410082	0.00273388			
Industrial Vacant Units, Excess Land	0.00478429	0.00287057	0.00191372			

Schedule "B"
By-law No. XXX-2019
Returned Assessment for 2019 Taxation

Description	2019 Assessment
Residential/Farm	19,532,096,339
Multi-Residential	145,560,790
New Multi-Residential	12,517,475
Commercial	2,731,302,679
Commercial Vacant Units, Excess Land	101,920,550
Land Awaiting Development	17,958,999
Industrial	382,922,369
Industrial Vacant Units, Excess Land	246,441,365
Industrial New Construction	94,707,543
Industrial New Construction Vacant/Excess	2,543,125
Pipelines	104,748,661
Farmlands	386,737,802
Managed Forests	38,963,378
Total Assessment	23,798,421,075



The Regional Municipality of Halton

Report To:	Regional Chair and Members of Regional Council
From:	Mark Scinocca, Commissioner, Finance and Regional Treasurer
Date:	April 17, 2019
Report No. - Re:	FN-18-19 - 2019 Tax Policy

RECOMMENDATION

1. THAT the following tax ratios be adopted for the 2019 taxation year:

Residential	1.0000
Multi-Residential	2.0000
New Multi-Residential	1.0000
Commercial	1.4565
Industrial	2.3599
Pipe Line	1.0617
Farm	0.2000
Managed Forests	0.2500
Landfill	1.4565

2. THAT the 2019 taxation rates for Regional services as set out in Attachment #1 to Report No. FN-18-19 re: "2019 Tax Policy" be adopted.

3. THAT the 2019 mandatory capping program for commercial and industrial properties be funded from deferred revenue associated with this program and that the program be based on the criteria set out in Attachment #2 to Report No. FN-18-19.

4. THAT Regional staff be authorized to submit to the Ministry of Finance a request that the current Vacant and Excess Land subclass property tax discount in Halton be removed for the 2020 taxation year and the benefit be directed to reduce the industrial tax ratio in 2020.

5. THAT Halton Region continues to:
 - 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;

- b. Cost-share in the property tax rebate program for older adults in the same proportion as the current year taxes subject to the rebate being established by by-law under Section 365 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, subject to the amendment as set out in Report No. FN-18-19;
 - d. Provide a property tax increase deferral to low income older adults and persons with disabilities under Section 319 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 local municipalities' by-laws established under Section 365.2 of the *Municipal Act, 2001*;
 - f. Provide a municipal tax exemption for the lands and buildings of the Navy League of Canada and Halton Naval Veterans Association within the City of Burlington from Regional taxes pursuant to a by-law passed under Sections 6 and 6.1 of the *Assessment Act* following approval of the City of Burlington's by-law.
6. THAT the Director of Legal Services & Corporate Counsel be authorized to prepare all necessary by-laws to establish the aforesaid 2019 taxation rates, taxation policies and property tax relief programs.
 7. THAT the Regional Clerk forward a copy of Report No. FN-18-19 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, capping program and tax relief programs.
- Policy options are outlined in this report and the "2019 Current Value Assessment (CVA) and Tax Policy Reference Manual" is provided under separate cover to this report.
- The combined total assessment change for the 2019 taxation year is 7.99% which is comprised of the net in-year assessment growth of 1.95% and the valuation phase-in increase of 5.93%.
- The Region's tax impact including Police is 1.9%.

- Since 2018, the capping program has been funded from deferred revenue. Properties within Halton are no longer being clawed back in order to fund the capping program.
- The Vacant Unit Rebate program in Halton has been completely phased out as of the 2019 taxation year.
- Regional staff recommend maintaining the vacant and excess land subclass property tax discounts for the 2019 taxation year and removing them for the 2020 taxation year, with the resulting benefit directed to the industrial property class.

Background

The purpose of this report is to provide Council with recommendations regarding property taxation for 2019 and to obtain approval for the 2019 Regional property tax rates.

In accordance with the *Municipal Act, 2001*, Regional Council must approve Tax Policies for:

- Upper-tier tax ratio setting
- Upper-tier rating by-law(s)
- Capping by-law for commercial, industrial and multi-residential classes
- Relief program for low income older adults and disabled homeowners
- Rebate program for charitable organizations

Further, under separate cover to this report is the “2019 Current Value Assessment (CVA) and Tax Policy Reference Manual” to assist members of 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 web site.

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 2019 Regional levy requirement by the weighted assessment. The following provides the information on each of these components.

Assessment Changes

As shown in the following table, the combined total assessment change for the 2019 taxation year is 7.99%, which is the change in the weighted taxable assessment from the tax roll used for the 2018 taxation year to the tax roll used for the 2019 taxation year.

Taxable Weighted Assessment						
Class	2018 Tax Year	2018 Year End	% Change for In-Year Growth	2019 Tax Year	% Change related to Phase In Valuation	Total % Change
Residential	\$ 107,423,073,901	\$ 109,678,903,155	2.10%	\$ 116,304,936,545	6.04%	8.27%
Multi-Residential	5,548,948,918	5,620,163,424	1.28%	6,053,260,054	7.71%	9.09%
New Multi-Residential	39,580,550	38,257,199	-3.34%	40,684,150	6.34%	2.79%
Commercial	21,895,447,819	22,538,919,048	2.94%	23,612,670,794	4.76%	7.84%
Industrial	6,926,987,773	6,740,602,163	-2.69%	7,189,326,198	6.66%	3.79%
Pipe Line	307,207,605	301,394,066	-1.89%	310,411,749	2.99%	1.04%
Farm	192,624,526	186,893,108	-2.98%	199,124,336	6.54%	3.37%
Managed Forests	12,856,231	12,805,462	-0.39%	14,069,580	9.87%	9.44%
Total	\$ 142,346,727,322	\$ 145,117,937,625	1.95%	\$ 153,724,483,408	5.93%	7.99%

Taxable Weighted Assessment						
Municipality	2018 Tax Year	2018 Year End	% Change for In-Year Growth	2019 Tax Year	% Change related to Phase In Valuation	Total % Change
Burlington	\$ 45,083,485,680	\$ 45,372,838,300	0.64%	\$ 48,245,635,899	6.33%	7.01%
Halton Hills	13,011,142,470	13,408,127,540	3.05%	14,126,563,741	5.36%	8.57%
Milton	23,567,966,507	24,244,877,475	2.87%	25,638,645,003	5.75%	8.79%
Oakville	60,684,132,665	62,092,094,310	2.32%	65,713,638,764	5.83%	8.29%
Total	\$ 142,346,727,322	\$ 145,117,937,625	1.95%	\$ 153,724,483,408	5.93%	7.99%

Note: The % change columns in both tables do not total 7.99% due to the use of different bases in each calculation.

Of the 7.99% increase, 1.95% relates to the net in-year growth in assessment in 2018 and 5.93% relates to the valuation change resulting from the third year phase-in of MPAC's 2016 reassessment.

The net in-year assessment growth of 1.95% for 2018 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 ARB appeal settlements and Requests for assessment Reconsideration settlements. The net in-year growth results in a reduction to the tax impact as per the 2019 Budget and Business Plan, which supports the costs of maintaining levels of service in a growing community.

Valuation changes based on MPAC's 2016 reassessment do not generate any additional tax revenue but rather result in a redistribution of the relative tax share among the property classes. The impacts for the third year of the four-year phase-in cycle results in an overall average valuation increase of 5.93%.

2019 Regional Levy Requirement

Regional Council approved the net Regional levy requirement of \$423,087,546 through Report No. FN-06-19 re: “2019 Budget and Business Plan and Disposition of the 2018 Surplus”, including the transfer to the Tax Stabilization reserve to reflect the assessment increase from 1.5% to 1.95%, as shown in the following table.

	2019 Budget	2019 Levy
Assessment Growth	1.50%	1.95%
Tax Increase	1.90%	1.90%
Net Levy Requirement	\$421,268,435	\$423,087,546

Tax Ratios

One of the limited tools provided by the Province to the municipalities in setting tax rates is adjusting tax ratios to address tax shifts created through reassessments. Regional staff are proposing no changes to the 2019 tax ratios, which are listed in the following table.

Property Class	Ranges of Fairness O. Reg. 386/98)	Halton Region Tax Ratios		Threshold Ratios O. Reg. 73/03)
		2019	2018	
Residential	1.00*	1.0000	1.0000	
Multi-Residential	1.00 - 1.10	2.0000	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	2.3599	2.3599	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

2019 Tax Rate

The table below shows the 2019 final tax rates calculated based on the assessment changes, 2019 levy requirements, and the tax ratios as discussed above. The blended Regional residential urban tax rate is 0.00275675, representing the 1.9% tax increase.

2019 Regional Residential Tax Rates		
Regional Services	2019 Levy	Residential Tax Rate *
General	\$ 240,775,787	0.00156628
Police	155,383,287	0.00101079
Waste Management		
Burlington	9,435,118	0.00019616
Halton Hills	2,821,799	0.00026254
Milton	4,828,928	0.00018987
Oakville	9,842,627	0.00014978
Total	\$ 423,087,546	0.00275675

*Residential tax rate for urban properties

** 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. Police Services and Regional General Services, including recycling and organics, are funded by the entire assessment base. The balance of Waste Management Services 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. Regional staff continue to review waste management services for harmonization opportunities to move toward a region-wide waste management tax rate in future years. Attachment #1 to this report contains the recommended Regional tax rates for 2019 for all property classes.

As of the date of finalizing this report, the Region has not received the final Education tax rates for 2019 from the Ministry of Finance. Accordingly, the 2019 calculated notional education rates have been incorporated. It is anticipated that the tax increase shown in the table in the 2019 Tax Impact section below will be adjusted once the 2019 education tax rates are released by the Province.

2019 Tax Impact

The Region's tax increase for 2019 is 1.9%. The following table provides a summary of the combined Regional tax impact by municipality for an urban residential property per \$100,000 of current value assessment (CVA).

Residential Tax Impacts per \$100,000 CVA						
2019 Taxes	Combined				Regional Tax Only	
	Burlington	Halton Hills	Milton	Oakville		
Regional Services:						
General Waste Management	\$ 176.24	\$ 182.88	\$ 175.62	\$ 171.61	\$ 174.60	
Police	101.08	101.08	101.08	101.08	101.08	
Sub-total	\$ 277.32	\$ 283.97	\$ 276.69	\$ 272.69	\$ 275.68	
Local Municipal Services:						
General	339.02	356.45	248.08	300.76		
Hospital	6.43	2.37	-	-		
Education*	160.25	160.25	160.25	160.25		
Total	\$ 783.02	\$ 803.04	\$ 685.03	\$ 733.69	\$ 275.68	
2018 Taxes	Burlington	Halton Hills	Milton	Oakville	Regional Tax Only	
Regional Services:						
General Waste Management	\$ 172.75	\$ 179.43	\$ 171.48	\$ 167.91	\$ 170.91	
Police	99.52	99.52	99.52	99.52	99.52	
Sub-total	\$ 272.28	\$ 278.95	\$ 271.00	\$ 267.43	\$ 270.44	
Local Municipal Services:						
General	325.41	342.76	229.06	295.36		
Hospital	10.01	2.44	-	-		
Education*	160.25	160.25	160.25	160.25		
Total	\$ 767.94	\$ 784.41	\$ 660.31	\$ 723.04	\$ 270.43	
Dollar Impact of Total Taxes	\$ 15.08	\$ 18.64	\$ 24.72	\$ 10.65	\$ 5.25	
Percentage Impact of Total Taxes	2.0%	2.4%	3.7%	1.5%	1.9%	

Schedule may not add due to rounding

*Note: The Province has not provided the education rates. Education impacts shown reflect 2019 calculated notional rates.

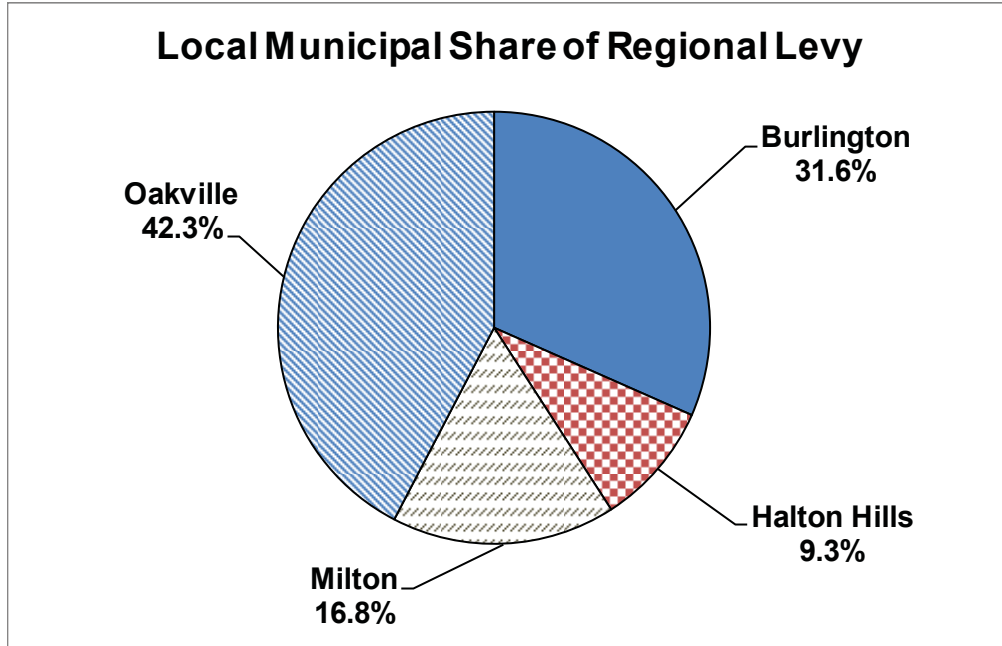
2019 Tax Allocation

The following table sets out the percentage breakdown of the final 2019 taxes for Regional, Local and Education taxes for an urban residential property in each local municipality.

Percentage Share of Residential Taxes by Municipality				
	Burlington	Halton Hills	Milton	Oakville
Region	35.4%	35.4%	40.4%	37.2%
Local	44.1%	44.6%	36.2%	41.0%
Education*	20.5%	20.0%	23.4%	21.8%
	100.0%	100.0%	100.0%	100.0%

*Note: The Province has not provided the education rates. Education impacts shown reflect 2019 calculated notional rates.

The following chart illustrates the percentage share of Regional levy by local municipality.



Capping and Clawback

The objective of the provincially mandated capping program is to limit assessment related tax increases on properties in the commercial, industrial and multi-residential classes to a maximum percentage each year. The program was originally implemented in 1998 when CVA began as a transitional mechanism to mitigate significant tax impacts. The ability to exclude properties that have reached CVA level taxes eliminated capped properties in the multi-residential class in 2009 and significantly reduced the number of capped properties in the commercial and industrial classes.

Under s. 329.1 of the *Municipal Act, 2001*, municipalities have the ability to establish the capping criteria up to certain thresholds. Accordingly, Regional Council approved through Report No. FN-11-17 re: "2017 Tax Policy" to further reduce the cost of capping by increasing the annual cap and the capping thresholds as enabled through O. Reg. 102/16. Similarly, further amendments to O. Reg. 73/03 through O. Reg. 131/17 provide municipalities increased flexibility to accelerate progress to CVA level taxes and to exit or phase-out from the program under certain conditions. The list of capping parameters that are being recommended for the 2019 taxation year, including the recent amendments to O. Reg. 73/03, are set out in Attachment #2 to this report. The following is a summary of the capping program by property class.

Property Class	Capping		Clawback	
	# of Properties	Cost of Program	# of Properties	% of Tax Reduction Retained
Commercial	7	\$ 16,683	0	0.0%
Industrial	5	26,005	0	0.0%
Total	12	\$ 42,688	0	

The number of properties capped in 2019 compared to 2018 has declined from 11 to 7 in the commercial class and from 6 to 5 in the industrial class. Note that the cost of the capping program is based on calculated notional education rates and as such is preliminary and will change upon receipt of the 2019 education rates from the Province.

Through Report No. FN-12-18 re: “2018 Tax Policy”, Regional Council approved the use of deferred revenue to fund the capping program in 2018. Since the introduction of the program in 1998, the Region was funding capping through clawbacks; that is the retaining or clawing back of a portion of the tax savings to properties whose taxes should be reduced. As a result of a historical adjustment to the capping and clawback program, a favourable balance of \$1,009,680 between the capping and clawback values was realized as of 2003. This favourable balance was retained by the Region as deferred revenue, until funding was required to phase-out the capping and clawback program. Given the continued decline in the cost of the capping program in recent years, it is recommended that the capping program continue to be funded from this deferred revenue.

Changes under Provincial Bill 70 - *Building Ontario Up for Everyone Act*

In November 2016, the Minister of Finance released a Fall Economic Update and introduced Bill 70 *Building Ontario Up for Everyone Act Budget Measures*, 2016), which proposed amendments to the *Municipal Act, 2001* that directly impacted the property tax provisions and 2017 taxation as outlined in Report No. FN-11-17 re: “2017 Tax Policy”.

This included adjustments to the 2017 Multi-residential tax ratio from 2.2619 to 2.0000, implementation of mandatory property classes for New Multi-residential tax ratio of 1.0000) and Landfill (tax ratio of 1.4565) and provided the following optional changes:

- Vacancy Rebate and Reduction
- Small-Scale Value-Added and Commercial Activities on Farms

Since the Provincial announcement, the related implementation plan and the resulting impact have been reviewed through extensive consultation with the local municipalities.

Business Vacancy Rebate and Reduction Programs

The Province continues to provide flexibility for municipalities to modify their business vacancy rebate and reduction programs, including the Vacant Unit Rebate and Vacant and Excess Land subclass discount. Since the Provincial announcement in 2017, Regional staff have undertaken an extensive consultation and review process with the local municipalities' tax teams, Halton Area Municipal Treasurers, business community, MPAC and taxation experts, in order to assess the opportunities and challenges resulting from the flexibility the Province has provided regarding these programs. Changes to the vacancy rebate and reduction programs require stakeholder consultations, council resolution and approval by the Ministry.

Vacant Unit Rebate

In 2017, the Region undertook a consultation and review of the Vacant Unit Rebate program and determined that the program did not align with Regional objectives. As a result, through Report No. FN-11-17 re: "2017 Tax Policy" and subsequent approval by the Minister of Finance including the amended O. Reg. 325/01), the Vacant Unit Rebate program has been completely phased out as of the 2019 taxation year.

Vacant and Excess Land Subclass Property Tax Discount

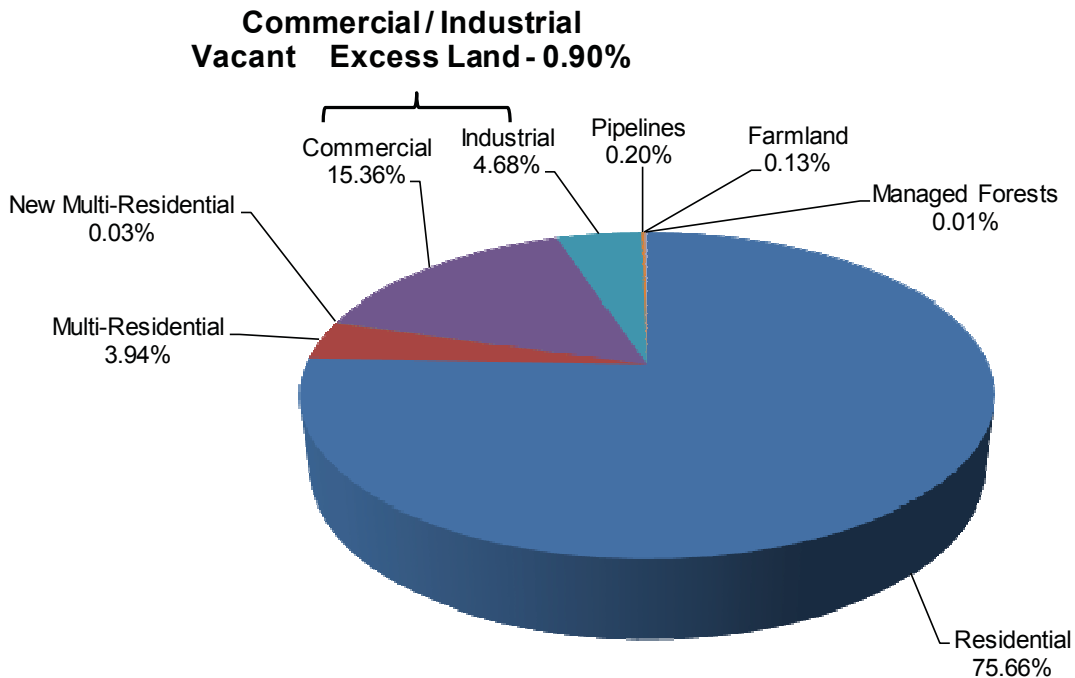
As outlined in Report No. FN-11-17 re: "2017 Tax Policy" in 2017, staff undertook a review of the vacant and excess land subclass property tax discount, which currently provides a tax reduction of 30% to commercial and 35% to industrial properties with vacant or excess land. Regional staff consulted with the local municipalities' tax teams, Halton Area Municipal Treasurers and Halton Area Municipal Planners to review options for the vacant and excess land policy change. Regional staff also met with the Halton Economic Development Partnership group, Business Improvement Area BIA representatives and property owners to communicate the options being considered.

Through this consultation process, some property owners identified property assessment concerns with respect to vacant and excess land. As outlined in Report No. FN-12-18 re: "2018 Tax Policy", further consultations with MPAC and property owners were recommended and any tax policy adjustment recommendations related to the vacant and excess land subclass property tax discount would be provided for Council consideration through the 2019 tax policy report.

In 2018, Regional staff consulted with MPAC to gain an understanding of not only what constitutes vacant and excess land, but also how it is valued. To be classified in the 'vacant' subclass, the land of the property would have to be unused, which could include land with no buildings or structures, land in the process of being developed, or land that has been developed but not yet occupied. To be classified in the 'excess' subclass, the land of the property would have to be attached to a developed parcel. It would have to be fully developable, severable, not needed to serve or support the existing improvement and in excess of that required to accommodate the site's highest and best use.

As shown in the following chart, the vacant and excess land subclass within the commercial and industrial property classes amounts to \$1.4 billion (0.9%) of the total \$153.7 billion of the 2019 taxable weighted assessment. This represents 759 properties within these subclasses, with a total tax impact of \$10.3 million based on 2019 CVA and 2018 final tax rates).

2019 Taxable Weighted Assessment \$153.7 Billion



In early 2019, Regional staff consulted with property owners who own vacant and/or excess land about the proposed removal of the discounts. The consultations did identify some assessment-related concerns, however Regional staff advised that there are mechanisms in place to review them with MPAC or appeal them through the ARB. The property owners were advised of the presentation being made to Regional Council on March 20, 2019, as well as the report scheduled to go to Regional Council for approval on April 17, 2019.

After extensive consultation and review, Regional staff recommend the removal of the vacant and excess land subclass property tax discount for both the commercial and industrial property classes in order to ensure equity amongst the property classes. The vacant and excess land subclass property tax discount is only available to the commercial and industrial property classes with the rest of the tax base subsidizing the discounts for these properties. To provide stakeholders with notice of the removal, Regional staff recommend that the discounts be maintained for the 2019 taxation year and completely removed for the 2020 taxation year, prior to the implementation of the next reassessment in 2021. Upon approval from the Ministry of Finance, staff will

establish a communication plan to facilitate awareness of the recommended discount removal within the business community.

The removal of these discounts would not generate additional revenue for the municipalities however it would redistribute the tax burden, depending on how the benefit is directed. As noted above, approximately \$10.3 million in benefit would be redistributed. Regional staff considered the following options, including directing the benefit to both the industrial and multi-residential property classes as requested by Regional Council at its meeting on March 20, 2019.

Scenario #	Benefitting Property Class(es)	Tax Ratio	
		From	To approx.
1	Industrial	2.3599	2.0761
2	Industrial	2.3599	2.1605
	Commercial	1.4565	1.4395
3	Multi-residential	2.0000	1.6896
4	All	No change	
5	Industrial	2.3599	2.1605
	Multi-residential	2.0000	1.9077

The Province encourages municipalities to move tax ratios towards the range of fairness prescribed for each property class. Comparing the Region's tax ratios with other Greater Toronto and Hamilton Area (GTHA) municipalities, Halton's industrial and multi-residential tax ratios are above the average.

Municipality	2018 Tax Ratios		
	Multi-Res	Commercial	Industrial
Durham	1.8665	1.4500	2.1850
York	1.0000	1.2323	1.4973
Toronto	2.5231	2.8476	2.8359
Brampton	1.7050	1.2971	1.4700
Mississauga	1.4510	1.4772	1.6108
Caledon	1.7223	1.3385	1.5900
Halton	2.0000	1.4565	2.3599
Hamilton	2.6342	1.9800	3.4115
GTHA Average	1.8628	1.6349	2.1200

In 2014, Council approved the Multi-Year Tax Policy Strategy Report No. FN-05-14 re: "Multi-Year Tax Policy Strategy Update" which reviewed the multi-residential and industrial tax ratios given that they were above the GTHA average. In this report, Regional staff reviewed the fairness of taxes between the multi-residential and condominium properties, which are classified as residential. Given that both property types are assessed differently by MPAC and pay a different tax rate, it was determined that an average tax ratio of 2.02 would be required for the multi-residential property class in order for a multi-residential unit to pay the same level of taxes as a condominium unit.

As noted above, as required under Bill 70, the multi-residential tax ratio was reduced from 2.2619 to 2.0000 in 2017. Although there is a risk in the future that the Province could legislate a lower multi-residential tax ratio, the current tax ratio of 2.0000 in Halton is aligned with the 2014 Multi-Year Tax Policy.

The 2014 Multi-Year Tax Policy Strategy also discussed Halton having a competitive industrial tax ratio to maintain the investment attraction and retention strategy within the GTHA. Within the Greater Golden Horseshoe, there are a number of comparable municipalities with which Halton Region municipalities compete for “export-based” business attraction and retention. A major factor influencing business decisions on where to locate or build is the economic competitiveness of the development in relation to market demand and potential return on investment. Property tax rates are one consideration in business location decisions as taxes impact profit. If the entire benefit is directed towards the industrial property class, the estimated industrial tax ratio would be lowered to about 2.0761, which is below the GTHA average of 2.1200. For these reasons, it is recommended that the benefit be directed towards the industrial property class. The final tax ratio would be based on the final 2019 tax roll return in the 2020 tax policy.

Small-Scale Value-Added and Commercial Activities on Farms

The 2016 Economic Outlook and Fiscal Review announced that, starting in 2018, municipalities would have the option to reduce the municipal tax rate on qualifying value-added activities that occur on farms as part of the farming business. Optional new subclasses of the industrial and commercial classes could be created at Regional Council’s discretion to allow the municipal tax rate to be reduced by 75% for the first \$50,000 of assessment related to qualifying activities.

The Province filed O. Reg. 361/18 to amend O. Reg. 282/98 under the *Assessment Act* officially adding the optional subclasses in May of 2018, after Regional Council approval of 2018 Tax Policy. Municipalities were informed that MPAC would provide the listing of properties eligible for these new subclasses in the months following the regulation. MPAC did not have their review of these new subclasses complete in time for their delivery of the 2018 roll in December. In March 2019, the Region received notice of 13 properties that qualify for this subclassification. Regional staff will review the impact during 2019 and provide a recommendation for 2020 tax policy.

Tax Relief Programs

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. 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 local municipalities through an annual application process. The deadline to apply for charity rebates is the end of February in the following year.

Staff recommends that Regional Council continue the existing program of providing rebates for charitable organizations, as defined under s. 248(1) of the *Income Tax Act*, at a rate equal to 40% of current year's taxes. The Regional cost of the charity rebate program in 2018 was \$162,200.

Older Adults Property Tax Deferral Programs

Deferral of Property Tax Increase

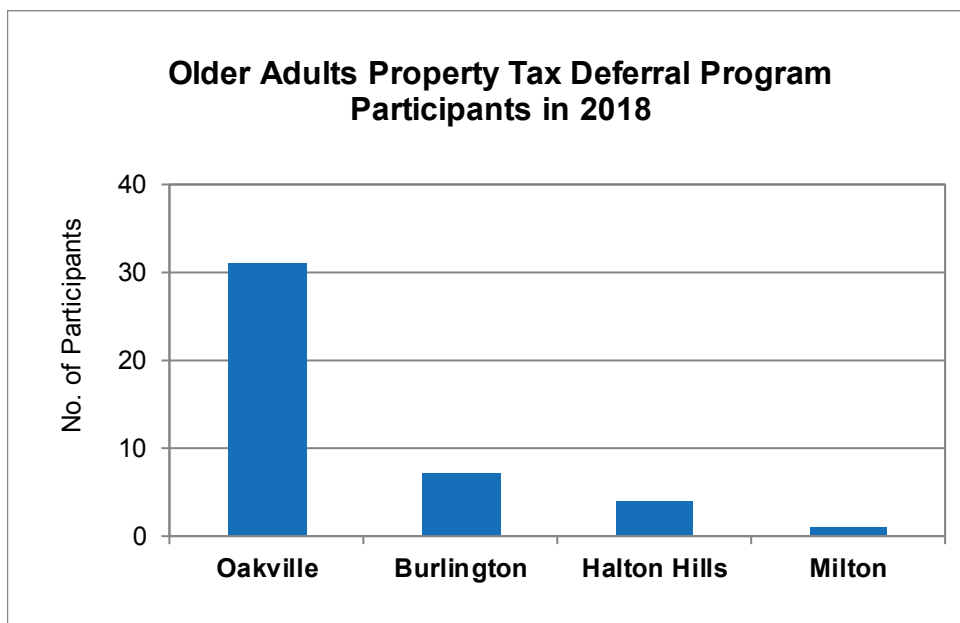
A mandatory tax relief program for low income older adults and disabled homeowners was introduced as part of the 1998 property tax reform under s. 319 of the *Municipal Act, 2001*. The eligibility criteria for this program are established by upper-tier municipalities and are administered by the local municipalities. The Region established the eligibility criteria which are reviewed as part the annual tax policy report. The program allows for an interest free deferral of all annual property tax increases.

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 to provide a full property tax deferral program – interest free – 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 (the interest-free component of the program) for any purpose that Regional Council considers to be in the interest of the municipality, subject to certain restrictions. This program was adopted by the local municipalities and commenced on July 1, 2016.

The program was designed to help eligible older adults remain in their homes by deferring full property taxes with the interest being paid by Halton Region. The program is being offered in addition to, and mutually exclusive of, the existing property tax increase deferral as discussed above (s. 319 of the *Municipal Act, 2001* and the local tax rebate programs 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 would not be eligible for a local tax rebate program or the tax deferral for the property tax increase.

In 2018, a total of 43 households participated in the program Region-wide as shown below at a cost of \$75,900.



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 2019, Regional staff recommend that Council continue the existing program, however, amend the by-law to state that full repayment of taxes owed will effectively withdraw an applicant from the Older Adults Property Tax Deferral Program. Should the applicant wish to re-enter the program at a later date, the full application will need to be completed and relevant administration fees paid.

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 section 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 been 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 City of Burlington and the Town of Halton Hills continue to offer a rebate program of \$525 and \$500 respectively, based on participants receiving a monthly guaranteed income supplement under Part II of the *Old Age Security Act*. The Town of Oakville offers a rebate of \$500 for those who had a maximum combined household income of \$29,746 in 2018. The regional cost of the older adults rebate program in 2018 was \$157,700.

Staff recommends that the Region continue to cost-share in the local rebate programs for low income older adults.

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 Town of Halton Hills and the City of Burlington have established local programs.

In 2015, Regional Council approved 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” to cost share Local Municipal Heritage Property Tax Rebate programs for eligible properties. Establishing a Regional Heritage Property Tax Rebate program in conjunction with the local municipalities is supported by the Region’s Official Plan 2009) which contains policies pertaining to protection and stewardship of Halton Region’s cultural heritage resources. A Heritage Property Tax Rebate program is also consistent with policies of the Provincial Policy Statement 2014 (PPS as it promotes conserving cultural heritage resources.

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. For 2019, the following rebate will be provided by the Region:

- In the City of Burlington, a total rebate of 40% 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

The Regional cost of the Heritage Property Tax Rebate programs in 2018 was \$37,000.

Tax Exemptions for the Royal Canadian Legions and Naval Associations


As of January 1, 2019, section 3 1 of the *Assessment Act* was amended to exempt land used and occupied as a memorial home, clubhouse or athletic grounds by an Ontario branch of the Royal Canadian Legion from property taxes (including the education portion) therefore Regional By-law Nos. 91-12 for the Town of Halton Hills and 54-15 for the Town of Milton are no longer required. By-law No. 58-15 expired at the end of 2018 as the City of Burlington sets the length of time for their exemption by-law to coincide with the term of Council.

The Navy League of Canada and Halton Naval Veterans Association will continue to require a by-law in order to be exempted from municipal property taxes. Sections 6 and 6.1 of the *Assessment Act* permit the exemptions of land owned by the Navy League of Canada and land used and occupied as a memorial home, clubhouse or athletic grounds by veterans from municipal property taxes through the passage of by-laws by municipal councils. They are classified by MPAC as RD – residential education taxes only, which means they are subject to the education portion of the municipal property tax bill but are exempt from the upper-tier and lower-tier portions of the taxes. Similar to By-law No. 58-15, By-law No. 59-15 for this exemption expired at the end of 2018 as the City of Burlington sets the length of time for their exemption by-law to coincide with the term of Council. The Regional by-law update will go forward to Council following the City of Burlington's approval of its updating by-law.

FINANCIAL/PROGRAM IMPLICATIONS

The financial impacts of this report are in accordance with the Region's 2019 Budget and Business Plan.

Respectfully submitted,



Debbie Symons
Acting Director, Budgets and Tax Policy



Mark Scinocca
Commissioner, Finance and Regional
Treasurer

Approved by



Jane MacCaskill
Chief Administrative Officer

If you have any questions on the content of this report,
please contact:

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Attachments: Attachment # 1 – 2019 Regional Tax Rates
Attachment # 2 – 2019 Capping Program for Commercial and Industrial Properties
2019 Current Value Assessment (CVA) and Tax Policy Reference Manual (Under
Separate Cover)

2019 Regional Tax Rates

Local Municipality - Burlington

	General	Police	Basic Waste	Enhanced Waste	Regional Total Urban	Regional Total Rural
1 - Residential	0.00156628	0.00101079	0.00017388	0.00002228	0.00277323	0.00275095
- farm land I	0.00117471	0.00075809	0.00013041	0.00001671	0.00207992	0.00206321
- education only	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000
2 - Multi-Residential	0.00313256	0.00202158	0.00034776	0.00004456	0.00554646	0.00550190
3 - New Multi-Residential	0.00156628	0.00101079	0.00017388	0.00002228	0.00277323	0.00275095
4 - Commercial	0.00228129	0.00147222	0.00025326	0.00003245	0.00403922	0.00400677
- excess land	0.00159690	0.00103055	0.00017728	0.00002272	0.00282745	0.00280473
- vacant land	0.00159690	0.00103055	0.00017728	0.00002272	0.00282745	0.00280473
- farm land I	0.00117471	0.00075809	0.00013041	0.00001671	0.00207992	0.00206321
- Office Building	0.00228129	0.00147222	0.00025326	0.00003245	0.00403922	0.00400677
- excess land	0.00159690	0.00103055	0.00017728	0.00002272	0.00282745	0.00280473
- Parking Lot	0.00228129	0.00147222	0.00025326	0.00003245	0.00403922	0.00400677
- Shopping Centre	0.00228129	0.00147222	0.00025326	0.00003245	0.00403922	0.00400677
- excess land	0.00159690	0.00103055	0.00017728	0.00002272	0.00282745	0.00280473
5 - Industrial	0.00369626	0.00238536	0.00041034	0.00005258	0.00654454	0.00649196
- excess land	0.00240257	0.00155049	0.00026672	0.00003418	0.00425396	0.00421978
- vacant land	0.00240257	0.00155049	0.00026672	0.00003418	0.00425396	0.00421978
- farm land I	0.00117471	0.00075809	0.00013041	0.00001671	0.00207992	0.00206321
- Large Industrial	0.00369626	0.00238536	0.00041034	0.00005258	0.00654454	0.00649196
- excess land	0.00240257	0.00155049	0.00026672	0.00003418	0.00425396	0.00421978
6 - Pipe Line	0.00166292	0.00107316	0.00018461	0.00002365	0.00294434	0.00292069
7 - Farm	0.00031325	0.00020216	0.00003478	0.00000446	0.00055465	0.00055019
8 - Managed Forests	0.00039157	0.00025270	0.00004347	0.00000557	0.00069331	0.00068774

Local Municipality - Halton Hills

	General	Police	Basic Waste	Enhanced Waste	Regional Total Urban	Regional Total Rural
1 - Residential	0.00156628	0.00101079	0.00022824	0.00003430	0.00283961	0.00257707
- farm land I	0.00117471	0.00075809	0.00017118	0.00002573	0.00212971	0.00193280
- education only	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000
2 - Multi-Residential	0.00313256	0.00202158	0.00045648	0.00006860	0.00567922	0.00515414
3 - New Multi-Residential	0.00156628	0.00101079	0.00022824	0.00003430	0.00283961	0.00257707
4 - Commercial	0.00228129	0.00147222	0.00033243	0.00004996	0.00413590	0.00375351
- excess land	0.00159690	0.00103055	0.00023270	0.00003497	0.00289512	0.00262745
- vacant land	0.00159690	0.00103055	0.00023270	0.00003497	0.00289512	0.00262745
- Office Building	0.00228129	0.00147222	0.00033243	0.00004996	0.00413590	0.00375351
- Parking Lot	0.00228129	0.00147222	0.00033243	0.00004996	0.00413590	0.00375351
- Shopping Centre	0.00228129	0.00147222	0.00033243	0.00004996	0.00413590	0.00375351
5 - Industrial	0.00369626	0.00238536	0.00053862	0.00008094	0.00670118	0.00608162
- excess land	0.00240257	0.00155049	0.00035011	0.00005261	0.00435578	0.00395306
- vacant land	0.00240257	0.00155049	0.00035011	0.00005261	0.00435578	0.00395306
- farm land I	0.00117471	0.00075809	0.00017118	0.00002573	0.00212971	0.00193280
- Large Industrial	0.00369626	0.00238536	0.00053862	0.00008094	0.00670118	0.00608162
- excess land	0.00240257	0.00155049	0.00035011	0.00005261	0.00435578	0.00395306
6 - Pipe Line	0.00166292	0.00107316	0.00024232	0.00003642	0.00301482	0.00273608
7 - Farm	0.00031325	0.00020216	0.00004565	0.00000686	0.00056792	0.00051541
8 - Managed Forests	0.00039157	0.00025270	0.00005706	0.00000858	0.00070991	0.00064427

Local Municipality - Milton

	General	Police	Basic Waste	Enhanced Waste	Regional Total Urban	Regional Total Rural
1 - Residential	0.00156628	0.00101079	0.00017552	0.00001435	0.00276694	0.00275259
- education only	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000
2 - Multi-Residential	0.00313256	0.00202158	0.00035104	0.00002870	0.00553388	0.00550518
3 - New Multi-Residential	0.00156628	0.00101079	0.00017552	0.00001435	0.00276694	0.00275259
4 - Commercial	0.00228129	0.00147222	0.00025564	0.00002090	0.00403005	0.00400915
- excess land	0.00159690	0.00103055	0.00017895	0.00001463	0.00282103	0.00280640
- vacant land	0.00159690	0.00103055	0.00017895	0.00001463	0.00282103	0.00280640
- farm land I	0.00117471	0.00075809	0.00013164	0.00001076	0.00207520	0.00206444
- Office Building	0.00228129	0.00147222	0.00025564	0.00002090	0.00403005	0.00400915
- Parking Lot	0.00228129	0.00147222	0.00025564	0.00002090	0.00403005	0.00400915
- Shopping Centre	0.00228129	0.00147222	0.00025564	0.00002090	0.00403005	0.00400915
- excess land	0.00159690	0.00103055	0.00017895	0.00001463	0.00282103	0.00280640
5 - Industrial	0.00369626	0.00238536	0.00041421	0.00003386	0.00652969	0.00649583
- excess land	0.00240257	0.00155049	0.00026924	0.00002201	0.00424431	0.00422230
- vacant land	0.00240257	0.00155049	0.00026924	0.00002201	0.00424431	0.00422230
- farmlands I	0.00117471	0.00075809	0.00013164	0.00001076	0.00207520	0.00206444
- Large Industrial	0.00369626	0.00238536	0.00041421	0.00003386	0.00652969	0.00649583
- excess land	0.00240257	0.00155049	0.00026924	0.00002201	0.00424431	0.00422230
6 - Pipe Line	0.00166292	0.00107316	0.00018635	0.00001524	0.00293767	0.00292243
7 - Farm	0.00031325	0.00020216	0.00003510	0.00000287	0.00055338	0.00055051
8 - Managed Forests	0.00039157	0.00025270	0.00004388	0.00000359	0.00069174	0.00068815

Local Municipality - Oakville

	General	Police	Basic Waste	Enhanced Waste	Regional Total Urban	Regional Total Rural
1 - Residential	0.00156628	0.00101079	0.00012899	0.00002079	0.00272685	0.00270606
- education only	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000
2 - Multi-Residential	0.00313256	0.00202158	0.00025798	0.00004158	0.00545370	0.00541212
3 - Commercial	0.00228129	0.00147222	0.00018787	0.00003028	0.00397166	0.00394138
- excess land	0.00159690	0.00103055	0.00013151	0.00002120	0.00278016	0.00275896
- vacant land	0.00159690	0.00103055	0.00013151	0.00002120	0.00278016	0.00275896
- new construction	0.00228129	0.00147222	0.00018787	0.00003028	0.00397166	0.00394138
- Office Building	0.00228129	0.00147222	0.00018787	0.00003028	0.00397166	0.00394138
- excess land	0.00159690	0.00103055	0.00013151	0.00002120	0.00278016	0.00275896
- Parking Lot	0.00228129	0.00147222	0.00018787	0.00003028	0.00397166	0.00394138
- Shopping Centre	0.00228129	0.00147222	0.00018787	0.00003028	0.00397166	0.00394138
- excess land	0.00159690	0.00103055	0.00013151	0.00002120	0.00278016	0.00275896
4 - Industrial	0.00369626	0.00238536	0.00030440	0.00004906	0.00643508	0.00638602
- excess land	0.00240257	0.00155049	0.00019786	0.00003189	0.00418281	0.00415092
- vacant land	0.00240257	0.00155049	0.00019786	0.00003189	0.00418281	0.00415092
- farm land I	0.00117471	0.00075809	0.00009674	0.00001559	0.00204513	0.00202954
- Large Industrial	0.00369626	0.00238536	0.00030440	0.00004906	0.00643508	0.00638602
- excess land	0.00240257	0.00155049	0.00019786	0.00003189	0.00418281	0.00415092
6 - Pipe Line	0.00166292	0.00107316	0.00013695	0.00002207	0.00289510	0.00287303
6 - Farm	0.00031325	0.00020216	0.00002580	0.00000416	0.00054537	0.00054121
7 - Managed Forests	0.00039157	0.00025270	0.00003225	0.00000520	0.00068172	0.00067652

Halton's Recommended Criteria for 2019 Capping Program

The capping parameters recommended for 2019, including new parameters as set out in O. Reg. 73/03 under the *Municipal Act, 2001*, described in 6, 7 and 8 below, are as follows:

- 1) That all properties that were at Current Value Assessment (CVA) taxes for the 2018 taxation year be excluded from the capping program.
- 2) That an annual cap be set at an amount representing the greater of 10% of the previous year's annualized taxes or 10% of the previous year's CVA level taxes.
- 3) That following the application of the capping program, all properties within +/- \$500 threshold of the CVA taxes be moved to CVA taxation.
- 4) That all properties be excluded from the capping program if they move from being capped in the previous year to being clawed back in the current year.
- 5) That all properties be excluded from the capping program if they move from being clawed back in the previous year to being capped in the current year.
- 6) That all properties in a property class be phased out from the capping program over 4 years where the taxes in the previous year for all properties in a property class were equal to or greater than 50% of the CVA taxes.
- 7) That properties in the vacant land subclass be excluded from the inventory of properties considered eligible for the 4-year phase out described in #6 above.
- 8) That reassessment related increases be excluded from the capping calculation.

Capping Summary by Municipality

Capping Parameters

Increase over 2018 annualized tax	10%
Increase over 2018 CVA tax	10%
Dollar Threshold Clawback	\$500
Dollar Threshold Cap	\$500
Exclude Properties at CVA Taxes in 2018	Yes
Exclude Properties that Cross from Cap to Claw	Yes
Exclude Properties that Cross from Claw to Cap	Yes
Four-year Phase-out for Eligible Property Classes	Yes
Exclude Vacant Land from Four-year Phase-out	Yes
Exclude Reassessment Increases	Yes

	# of Properties Capped	Cost of Capping Program	Net Position Surplus / (Shortfall **)	# of Properties Excluded	Total # of Properties
Commercial Cap					
Burlington	2	\$ (2,465)	\$ (2,465)	2,180	2,182
Halton Hills	-	-	-	593	593
Milton	4	(7,458)	(7,458)	1,201	1,205
Oakville	1	(6,760)	(6,760)	2,227	2,228
Region of Halton	7	\$ 16,683	\$ 16,683)	6,201	6,208

	# of Properties Capped	Cost of Capping Program	Net Position Surplus / (Shortfall **)	# of Properties Excluded	Total # of Properties
Industrial Cap					
Burlington	3	\$ (17,026)	\$ (17,026)	325	328
Halton Hills	-	-	-	157	157
Milton	1	(5,682)	(5,682)	142	143
Oakville	1	(3,297)	(3,297)	279	280
Region of Halton	5	\$ 26,005	\$ 26,005)	903	908

Cost of Capping Program - The above capping calculation is using 2019 notional education rates and includes the new capping parameters. The final capping cost is dependent upon receiving the 2019 education rates from the Province which have yet to be released as of the date of finalizing Report No. FN-18-19.

Net Position Shortfall - Starting in 2018, the cost of the capping program is no longer funded by clawing back tax decreases from other properties. The capping program will be funded from available funds from prior years revenue associated with this program.



Halton Region
2019 Current Value Assessment (CVA) and
Tax Policy Reference Manual



Updated April 2019 (FN-18-19)

Contents

Introduction	1	Provincial Rules and Regulations	
Purpose of the Current Value Assessment and Tax Policy Reference Manual	1	Governing Municipal Tax Policy	15
Roles & Responsibilities.....	2	Capping Program Options	15
Provincial Government.....	3	Ranges of Fairness and Tax Ratios	15
Municipal Property Assessment Corporation (MPAC).....	3	Summary of the Rules and Regulations	
Halton Region.....	4	Governing Municipal Tax Policy	17
Local Municipalities	4	Changing Tax Ratios	17
Assessment.....	5	Relief for Low-Income Older Adults & People with Disabilities	17
Ontario Property Reassessment.....	5	Optional Relief from Hardship.....	18
Examples of Property Assessment Phase-In.....	6	Capping	19
Current Value Assessment.....	7	Optional New Class	20
Property Assessment Codes and Classes.....	7	Graduated Tax Rates	20
Classes of Properties	7	Phase-In	21
Property Class Definitions	8	Municipal Tax Reductions	21
Optional Classes of Properties.....	9	Rebates to Charities	22
New Construction Property Classes	9	Tax Reductions for Heritage Properties	23
Subclasses of Properties	10	Property Tax Relief for Residences built or modified to accommodate Older Adults or People with Disabilities.....	24
Mixed-Use Properties.....	10	Property Tax Relief for Older Adults with Low Incomes.....	25
Taxable Assessment Codes	11	Education Taxes.....	26
Rights of Property Owners to Challenge Their Property Assessment	13	Residential Education Tax Rates.....	26
Contacting MPAC About Assessment	13	Business Education Tax Rates.....	26
Understanding the Relationship Between Assessment and Taxes.....	14	Frequently Asked Questions	27
Tax Rate	14	Glossary of Terms.....	30
Calculating Property Taxes.....	14	Contacts.....	33
		Tax Policy Deadlines	34
		Notes.....	35



Introduction

Purpose of the Current Value Assessment and Tax Policy Reference Manual

The *Current Value Assessment and Tax Policy Reference Manual* has been developed to assist Councillors, staff and property owners in understanding assessment and tax reform in Halton Region and Ontario as a whole.

In 1998, the Provincial government instituted current value assessment (CVA) across Ontario with mandated updates on a regular basis. At the same time, rules and regulations were legislated by the Province to guide municipalities in setting tax policies. Changes were also made to education taxes through the shifting of service responsibilities between the Provincial and Municipal governments. In the 2007 Provincial Budget, a four-year reassessment cycle was introduced. As a result of valuation changes from reassessment, increases in CVA are phased-in equally over a four-year period while decreases in CVA are applied in the first year.

The most recent reassessment occurred in 2016 and updated all property values in Ontario to a valuation date of January 1, 2016 as set out in Report No. FN-01-17 (re: 2016 Reassessment Impact Analysis). Assessments used for the 2019 taxation year will reflect the third year of the phase-in for increases in assessment. The next reassessment will occur in 2020 and will update all property values in Ontario to a valuation date of January 1, 2020. The reassessed values will be phased-in beginning in 2021.

Tax policies for 2019 have been developed to work towards Regional Council's Multi-Year Tax Policy Strategy with the aim of mitigating the shifts in relative tax share created by the reassessment and mandatory phase-in program and Halton's Economic Development Strategy, ensuring Halton Region's industrial and commercial tax rates are competitive within the Greater Toronto and Hamilton Area.

Roles & Responsibilities

The following chart illustrates the roles and responsibilities of each governing body that is involved in the assessment and tax setting process.



Provincial Government

The Provincial government sets the policies and legislation affecting property assessment and taxation in Ontario. There are three ministries that are involved in assessment and tax policy.

Ministry of Finance

The principal ministry involved in setting assessment and tax policies is the Ministry of Finance. Under the *Fair Municipal Finance Act, 1997*, the Ministry created a new province-wide current value assessment system that also introduced new property classes. The Ministry of Finance sets the overall policies and has the final decision on any assessment-related issues. The Ministry is also responsible for setting education tax rates annually.

The Minister of Finance sets assessment policy and standards across the province and develops Ontario's Tax and Property Assessment Legislation. The Minister is also responsible for establishing the majority of the regulations governing assessment and tax policy.

Ministry of Municipal Affairs and Housing (MMAH)

The Ministry of Municipal Affairs and Housing is responsible for establishing some of the regulations under the *Municipal Act, 2001* and the *Residential Tenancies Act, 2006* associated with property tax policy. As the primary liaison with municipalities, it deals more specifically with implementation details.

Ministry of Education

The Ministry of Education is responsible for establishing the deadlines for municipalities to pay their education tax installments. Although not responsible for setting the education tax rates, the Ministry is responsible for allocating these funds to the school boards.

Municipal Property Assessment Corporation (MPAC)

On December 31, 1998, the Provincial government transferred responsibility for property assessment from the Ministry of Finance to the Ontario Property Assessment Corporation, an independent body established by the *Ontario Property Assessment Corporation Act, 1997*. Amendments to the Act in 2001 resulted in an organizational change and renamed the organization to the Municipal Property Assessment Corporation (MPAC).

MPAC is governed by a Board of Directors appointed by the Minister of Finance. The board is comprised of 13 members: seven members are municipal representatives; four members represent property taxpayers; and two members represent Provincial interests.

Every municipality in Ontario is a member of MPAC, a non-share capital, not-for-profit corporation whose main responsibility is to administer a uniform, province-wide property assessment system based on current value assessment in accordance with the provisions of the *Assessment Act, 1990*. These assessments apply to more than five million properties in Ontario, with an estimated total value of \$2.6 trillion.

Property values are communicated to individual property owners through Property Assessment Notices and to municipalities through the annual assessment rolls. The annual assessment rolls are used by municipalities to calculate property taxes.



Halton Region

Under the rules and regulations created by the Province, Halton Region, as the upper-tier municipality, is responsible for the development of property tax policies. The Region works in co-operation with the Local Municipalities to set these policies on an annual basis.

These policy decisions include:

- tax ratios or delegation of tax ratio setting to the local municipalities
- optional property classes
- graduated tax rates for commercial and industrial classes of properties
- phasing-in of property tax increases/decreases
- how to fund the mandated caps for multi-residential, commercial and industrial properties
- low-income homeowners' programs for older adults and people with disabilities

The annual tax policy decision process begins with analysis of the final assessment roll for the taxation year as received from MPAC each December. Annual growth in assessment and valuation changes to the assessment base create shifts in the relative tax share between property classes. Analysis of these tax shifts may provide focus to the tax policy decisions required.

The Region, in conjunction with the Local Municipalities and based on the annual tax policies established, also determines the annual tax rates for each property class.

Local Municipalities

Under the rules and regulations created by the Province, the Local Municipalities are responsible for the administration of the tax billing, adjustments and the collection process, rebate programs, taxpayer inquiries and municipal representation in the appeal process.

Assessment

This section of the manual provides an overview of assessment and reassessment. While MPAC is responsible for property assessment, Council members and municipal staff may find the following information helpful in answering basic questions from citizens. Given the relationship between assessment and taxes, the following section also provides baseline information on the types of property classes, subclasses and optional classes. Detailed questions should be directed to the MPAC office, the governing body responsible for assessment.

Ontario Property Reassessment

Property assessment is the value assigned to a property for taxation purposes.

Property reassessment in Ontario refers to the updating of all property values across the province using the same base year of comparison to reflect their value. Properties are assessed on the basis of their current value at a specific point in time.

Since market values on properties change over time, it is necessary to keep the assessments on properties up to date so that they reflect current market conditions. Otherwise, similar properties with the same value within the same municipality will pay different levels of taxation.

When tax reform was initiated in 1997, assessments on all properties in Ontario were updated to reflect their value as of June 30, 1996. These 1996 values were used as the basis for taxation in 1998, 1999, and 2000. The table to the right shows the date on which land is valued for assessment purposes for taxation years, beginning in 1998.

The 2004 Provincial Budget cancelled the reassessment planned for 2005 and adopted a new reassessment schedule starting with the 2006 taxation year. This schedule was based on assessment values as of January 1 of the year preceding the current taxation year (i.e., for the 2006 taxation year, the valuation date would be January 1, 2005).

In response to a large number of taxpayer complaints, a Provincial Ombudsman investigation was launched into whether MPAC's process of valuing properties was transparent and fair. On June 29, 2006, the Minister of Finance announced that the scheduled property reassessments for the next two years would be cancelled in order to allow for the implementation of the Ombudsman's recommendations.

Taxation Year	Valuation Date
1998, 1999, 2000	June 30, 1996
2001, 2002	June 30, 1999
2003	June 30, 2001
2004, 2005	June 30, 2003
2006, 2007, 2008	January 1, 2005
2009 - 2012	January 1, 2008
2013 - 2016	January 1, 2012
2017 - 2020	January 1, 2016

The 2007 Provincial Budget introduced a mandatory phase-in of residential assessment increases (including farms and managed forests) over the four-year period. The 2008 Provincial Budget extended the phase-in of assessment increases to all property classes.

Increases in assessed values are distributed equally among all years of the phase-in cycle. Decreases in assessed values are fully realized in the first year of the phase-in cycle.

The current reassessment is based on property values as of January 1, 2016, and the phase-in cycle applies to the 2017, 2018, 2019 and 2020 taxation years. The next reassessment will occur in 2019 and 2020 to value all properties as of January 1, 2019 and will apply to the 2021, 2022, 2023 and 2024 taxation years.

When a change in assessment occurs annually, the *Assessment Act, 1990* requires MPAC to mail Property Assessment Notices (PAN) to property owners at least 14 days prior to supplying the Assessment Roll to a municipality in December.

For the 2016 reassessment, MPAC initiated significant reforms to Ontario's property assessment system in response to recommendations from the Special

Purpose Business Property Assessment Review (SPBPAR) that the Province undertook in 2013. MPAC redesigned the 2016 PAN and implemented early mailing dates to help property owners better understand their assessment and resolve concerns through a Request for Reconsideration (RfR) process before the final assessment rolls for 2017 taxation were delivered to municipalities in December 2016. In Halton, the assessment notices were released in June 2016 for residential properties and in October 2016 for all remaining properties.



Examples of Property Assessment Phase-In

Property Assessment Value Increase

January 1, 2012 Valuation
CVA = \$500,000

January 1, 2016 Valuation
CVA = \$580,000

Change in Assessment = \$80,000

CVA for Taxation Purposes

Taxation Year	Assessment
2017	\$520,000
2018	\$540,000
2019	\$560,000
2020	\$580,000

Property Assessment Value Decrease

January 1, 2012 Valuation
CVA = \$500,000

January 1, 2016 Valuation
CVA = \$480,000

Change in Assessment = -\$20,000

CVA for Taxation Purposes

Taxation Year	Assessment
2017	\$480,000
2018	\$480,000
2019	\$480,000
2020	\$480,000

Current Value Assessment

Current Value Assessment is defined as the amount of money a property would realize if sold at arm's length (by a willing seller to a willing buyer with no relationship to each other). To calculate a property's assessed value, MPAC analyzes market information from similar types of property in the vicinity.

While all properties are evaluated using current value assessment, there are three methods used for this analysis:

- the selling price of a property (residential)
- the rental income a property generates (office building)
- the cost to replace a property (industrial)

Each method takes into consideration the location of a property, the size and quality of any buildings and features which might enhance or reduce a property's value.

Property Assessment Codes and Classes

MPAC classifies every property into one or more property classes. Municipalities have the ability within pre-established provincial guidelines to charge each property class a different rate of tax. Therefore, classification of properties determines the rate of tax that the property owner will be required to pay.

Classes of Properties

Current legislation requires MPAC to allocate properties into nine mandatory property classes. These classes are defined by a Realty Tax Class (RTC) designation. On April 4, 2017, Ontario Regulation 264/17 was filed by the Ministry of Finance, moving the designation of the new multi-residential property class from an optional to a mandatory property class in 2017 and future years.

Residential (RTC = R)
Multi-Residential (RTC = M)
New Multi-Residential (RTC = N)
Commercial (RTC = C)
Industrial (RTC = I)
Pipe Line (RTC = P)
Farm (RTC = F)
Managed Forests (RTC = T)
Landfill (RTC = H)



Property Class Definitions

Residential

The residential property class consists of:

- land used for low-density residential purposes, such as single-family houses
- condominium units
- land used for residential purposes on a seasonal basis, including campgrounds
- land owned by a cooperative or a corporation without share capital, or a group home
- specific lands not used for residential purposes, such as farm land that does not fall in the farm class



Multi-Residential

This class consists of land that is used for residential purposes that has seven or more self-contained units.



New Multi-Residential

This class consists of land that would otherwise be in the multi-residential property class, but satisfies the requirement that the units on the land have been built or converted from a non-residential use. This classification also requires that a building permit was issued after the by-law adopting the new multi-residential class was passed (in Halton's case, after October 30, 2002).

A property ceases to be in the new multi-residential class after it has been in that class for 35 taxation years.

Commercial

The commercial class includes all land that is not included in any other property class. Examples of properties included in this class are:

- hotels and motels
- stores
- office buildings
- shopping malls
- homes for special care
- retirement homes and nursing homes operated as commercial ventures



Industrial

The industrial property class consists of land used for, or in connection with, manufacturing, producing or processing, as well as lands used for research and development and storage activities in connection with manufacturing, producing and processing. This class also includes land used for generating or transforming hydroelectricity.

Pipe Line

This class of property consists of pipe lines as they are presently defined in the *Assessment Act, 1990*. The Minister of Finance prescribes assessment rates by regulation using the same base-year value as all other properties.

Farm

Since 2006, Halton Region's tax ratio for the farm class has been 20% of the residential tax rate (subject to certain restrictions detailed in regulations). Land used for farming, including outbuildings, is included in this class. Inclusion in the farm class is based on the criteria set for the former Farm Tax Rebate Program that applied in 1997.

Managed Forests

Eligible managed forests are taxed at 25% of the residential tax rate. This class consists of land that is subject to a managed forest agreement. If the land is used for other purposes, it will be reclassified and the favourable tax treatment will be eliminated. Furthermore, it is intended that the tax break that the property had enjoyed as an eligible managed forest will be recovered for the year or portion of the year in which it ceased to be eligible, and such change can be made by the assessor up to four years later.

Landfill

In 2017, the Province introduced a new property class which consists of land on which landfilling is permitted to occur with environmental compliance approval and land that contains a closed landfill cell (no longer used to receive waste and has been permanently closed) as outlined in the *Assessment Act, 1990*. This class includes a dump, transfer station, incineration plant and landfill.

Optional Classes of Properties

In addition to the nine core property classes, the Minister of Finance established seven additional optional classes in the *Assessment Act, 1990*.

The advantage of creating an optional class is that it provides additional flexibility to tax properties within these classes at a different rate compared to the broader class. However, setting up additional new classes moves a municipality further away from full tax equity across all classes, creating a greater number of tax rates. Halton currently has no optional property classes.

The following is a list of the seven optional classes available to the municipalities.

Office Building (RTC = D)

Shopping Centre (RTC = S)

Parking Lot & Vacant Land (RTC = G)

Residual Commercial (RTC = K)

Large Industrial (RTC = L)

Professional Sports Facility (RTC = O)

Resort Condominium (RTC = Q)

New Construction Property Classes

In the 2007 Provincial Budget, a reduction to the business education tax rate to a uniform target maximum of 1.6% over the following seven years was announced. The new rate of 1.6% took effect immediately from the date of the budget, March 22, 2007, for all new construction in the business classes of Commercial and Industrial.

This different treatment for education taxes has resulted in new property classes for new construction. These property classes apply to land that would otherwise be in the core class and have undergone improvements to the property where the application for the building permit was made after March 22, 2007. In order to qualify as new construction, the improvements must result in an increase in the assessment equal to or greater than 50% of the assessment before the change.

The regulation for the new codes was passed on September 11, 2008. In Halton, the reduction to a target rate impacts industrial properties only as the education rate for commercial properties is already below the target maximum. There are several new industrial properties within Halton that are taxed at this reduced rate.

Subclasses of Properties

Within some of the classes, the Province established additional breakdowns to further define the type of property. Discounted tax rates apply to these mandatory subclasses, which ensure that the special nature of these properties is recognized. Subclasses are identified by a Realty Tax Qualifier (RTQ) designation. The table below is a list of the subclasses defined by the Minister of Finance.

The Minister of Finance prescribed two subclasses with different discounts for Farm Land Awaiting Development applicable to the Residential, Multi-Residential, Commercial and Industrial core classes. Farm Land Awaiting Development Phase I applies to properties once a plan of subdivision has been registered. Phase I subclass tax rates are to be set between 25% and 75% of the residential property tax rate, even though the properties may be in other property classes. In Halton, the Phase I subclass tax rate is set at 75% of the residential tax rate. Farm Land Awaiting Development Phase II applies to properties once a building permit has been issued for that property. Phase II subclass tax rates are to be set between 25% and 100% of the class rate of the property. In Halton, the Phase II subclass tax rate is set at 100% of the applicable property and class tax rate.

The Excess Land and Vacant Land subclasses are applicable to the Commercial and Industrial classes only. Properties falling within these subclasses are discounted at 30% to 35% of the full Commercial and/or Industrial rate. In Halton, a 30% discount is provided to commercial excess/vacant land subclasses and 35% discount to industrial.

Taxable at the Full tax rate (RTQ = T)
Farm Land Awaiting Development I (RTQ = 1)
Farm Land Awaiting Development II (RTQ = 4)
Excess Land (Commercial/Industrial) (RTQ = U)
Vacant Land (Commercial/Industrial) (RTQ = X)
Small-Scale On-Farm (Commercial/Industrial) (RTQ = 7)

Through O. Reg. 361/18 under the *Assessment Act, 1990*, optional small-scale on-farm business subclasses, applicable to the Industrial and Commercial classes only, were added. These subclasses only apply if Regional Council pass a by-law opting to do so. In March 2019, the Region received notice of 13 properties that qualify for this sub-classification. Regional staff will review the impact during 2019 and provide a recommendation regarding their treatment as part of 2020 tax policy.

Mixed-Use Properties

It is possible for a property to fall into more than one property class. MPAC requires the assessor to divide the assessment of mixed-use multi-tenanted properties among different classes according to use. The municipality will then apply the appropriate tax rate to the assessed value of the property in each property class as specified on the assessment roll. This increases fairness by ensuring that properties used for similar purposes are taxed at the same rate, regardless of the nature of the building in which they are located.

For example, a building with a commercial business on the main floor and a residential unit above will have assessment in both of these classes.

The following is an illustration of how mixed-use taxes would be calculated:

Property A – total assessed value of	<u>\$1,000,000</u>
RT – residential assessment:	\$500,000
CT – commercial assessment:	\$500,000
Residential tax rate:	1.0%*
Commercial tax rate:	1.5%*

* hypothetical tax rates

\$500,000 x 1.0% = \$5,000
(RT x Residential Tax Rate = Residential Taxes)
+
\$500,000 x 1.5% = \$7,500
(CT x Commercial Tax Rate = Commercial Taxes)
\$12,500
(Total Taxes)

Taxable Assessment Codes

The following table is based on the categorization by MPAC for properties in Halton Region.

GENERAL CLASS	CODE	MANDATORY/OPTIONAL	DESCRIPTOR/SUBCLASS
Residential	RT	Mandatory	Full Taxable
	RH	Mandatory	Taxable - Shared Payment-In-Lieu
	R1	Mandatory	Farm Land Awaiting Development (1 st subclass)
	R4	Mandatory	Farm Land Awaiting Development (2 nd subclass)
Multi-Residential	MT	Mandatory	Full Taxable
New Multi-Residential	NT	Mandatory	Full Taxable
Commercial	CT	Mandatory	Full Taxable
	CH	Mandatory	Taxable - Shared Payment-In-Lieu
	CU	Mandatory	Excess Land subclass
	CK	Mandatory	Taxable - Shared Payment-In-Lieu - Excess Land subclass
	CX	Mandatory	Vacant Land subclass
	CJ	Mandatory	Taxable - Shared Payment-In-Lieu - Vacant Land subclass
	C1	Mandatory	Farm Land Awaiting Development (1 st subclass)
	C4	Mandatory	Farm Land Awaiting Development (2 nd subclass)
	XT	Mandatory	New Construction - Full Taxable
	XU	Mandatory	New Construction - Excess Land subclass
	XX	Mandatory	New Construction - Vacant Land subclass
	DT	Optional	Office Building - Full Taxable
	DH	Optional	Office Building - Taxable - Shared Payment-In-Lieu
	DU	Optional	Office Building - Excess Land subclass
	YT	Optional	Office Building New Construction - Full Taxable
	YU	Optional	Office Building New Construction - Excess Land subclass
	ST	Optional	Shopping Centre - Full Taxable

Taxable Assessment Codes (continued)

GENERAL CLASS	CODE	MANDATORY/OPTIONAL	DESCRIPTOR/SUBCLASS
	SU	Optional	Shopping Centre - Excess Land subclass
	ZT	Optional	Shopping Centre New Construction - Full Taxable
	ZU	Optional	Shopping Centre New Construction - Excess Land subclass
	GT	Optional	Parking Lot - Full Taxable
Industrial	IT	Mandatory	Full Taxable
	IH	Mandatory	Taxable - Shared Payment-In-Lieu
	IU	Mandatory	Excess Land subclass
	IK	Mandatory	Taxable - Shared Payment-In-Lieu - Excess Land subclass
	IX	Mandatory	Vacant Land subclass
	IJ	Mandatory	Taxable - Shared Payment-In-Lieu - Vacant Land subclass
	I1	Mandatory	Farm Land Awaiting Development (1 st subclass)
	I4	Mandatory	Farm Land Awaiting Development (2 nd subclass)
	JT	Mandatory	New Construction - Full Taxable
	JH	Mandatory	Taxable - Shared Payment-In-Lieu
	JU	Mandatory	New Construction - Excess Land subclass
	KT	Optional	Large Industrial New Construction - Full Taxable
	KU	Optional	Large Industrial New Construction - Excess Land subclass
	LT	Optional	Large Industrial - Full Taxable
	LU	Optional	Large Industrial - Excess Land subclass
Pipe Line	PT	Mandatory	Full Taxable
Managed Forests	TT	Mandatory	Full Taxable
Farm	FT	Mandatory	Full Taxable

Rights of Property Owners to Challenge Their Property Assessment

If a property owner believes that the assessed value of his/her property is incorrect, there are a number of tools provided by MPAC to assist them.

Owners of all property types – residential, farm and business properties – can use MPAC's AboutMyProperty website to access detailed information on their property. AboutMyProperty allows property owners to quickly and easily find out more about how their property was assessed and to confirm its accuracy. By using the roll number and access key found on their PAN, property owners can register and log on to **www.aboutmyproperty.ca** and compare their property to other properties in their neighbourhood. Using an interactive map of their community, they can create a "Properties of Interest" list with access to as many as 100 property snapshots and up to 24 detailed property reports free of charge. Property owners also have the ability to submit updates to information that MPAC has on file directly through the application.

The information provided enables the comparison of assessment data for similar properties to assist the property owner in determining whether they believe the assessed value is correct.

Property owners in the residential, farm and managed forests property classes who have concerns with the CVA or classification of their property must ask MPAC to conduct a review of their assessment through the RfR process. Again, this

service is free of charge. The deadline for filing an RfR is March 31 of the taxation year. MPAC must respond to an RfR within 180 days of the RfR being made. However, if MPAC notifies the property owner within 180 days of the request being made that an extension is required, MPAC must notify the property owner of the results of the RfR within 240 days of the RfR being made.

If the reconsideration process results in a change to the assessment, MPAC will communicate the change to both the property owner and the municipality.

In addition, a property owner may also file a Notice of Complaint with the Assessment Review Board (ARB). Property owners in the residential, farm and managed forests property classes can file an appeal with the ARB if they do not agree with MPAC's decision through the RfR process. This must be filed within 90 days of MPAC mailing the RfR decision. Property owners in all other classes can proceed directly with an ARB appeal, and the deadline for these appeals is March 31 of the taxation year. There are specific forms and fees involved in this process. Forms are available on the MPAC web site, or by calling MPAC at 1-866-296-MPAC (6722). Information is also on the ARB website at www.arb.gov.on.ca.

The ARB is an independent tribunal which is responsible for hearing assessment appeals. It has the authority to change assessed values. All parties to an appeal (property owner, the municipality and MPAC) can present evidence at an appeal hearing. The decision of the ARB is binding.

Contacting MPAC About Assessment

Customer Contact Centre

PO Box 9808
Toronto ON M1S 5T9

Toll Free 1 866 296-MPAC (6722)

1 877 889-MPAC (6722) TTY

Toll Free Fax 1 866 297-6703

Monday to Friday – 8 a.m. to 5 p.m. EST

Understanding the Relationship Between Assessment and Taxes

Property tax remains the largest and most important revenue source for municipalities. It is the only tax that municipalities have the authority to collect. The two components required for determining property taxes are the assessed value of the property and the tax rate applied to the property.

Tax Rate

The tax rate in Halton Region consists of three components: the local municipal portion (City of Burlington, Town of Halton Hills, Town of Milton or Town of Oakville), the Regional portion and the education portion. The local and regional portions are based on budgetary needs and the education portion is based on the Provincial education funding requirements. The residential tax rate is determined by dividing the total tax requirement by the total weighted assessment. Tax rates are set for each property class.

Calculating Property Taxes

Property taxes are calculated using the property's assessed value, the municipal tax rates (Region and Local) and the education tax rate. The formula is:

Assessed Value x Municipal Tax Rate =
Amount of Municipal Property Tax

+

Assessed Value x Education Tax Rate =
Amount of Education Property Tax

=

Total Property Taxes

Provincial Rules and Regulations Governing Municipal Tax Policy

The following table outlines the legislation enacted by the Provincial government to implement property assessment and tax reform through amendments to the *Municipal Act, 2001* and *Assessment Act, 1990* and other statutes.

Bill #	Name	Date Approved
Bill 106	<i>Fair Municipal Finance Act, 1997</i>	May 27, 1997
Bill 149	<i>Fair Municipal Finance Act 2, 1997</i>	December 8, 1997
Bill 16	<i>Small Business and Charities Protection Act, 1998</i>	June 11, 1998
Bill 79	<i>Fairness for Property Taxpayers Act, 1998</i>	December 18, 1998
Bill 140	<i>Continued Protection for Property Taxpayers Act, 2000</i>	December 4, 2000
Bill 83	<i>Budget Measures Act, 2004</i>	June 17, 2004
Bill 187	<i>Budget Measures and Interim Appropriation Act, 2007</i>	May 17, 2007
Bill 35	<i>Investing in Ontario Act, 2008</i>	May 14, 2008
Bill 212	<i>Good Government Act, 2009</i>	December 15, 2009
Bill 70	<i>Building Ontario Up for Everyone Act (Budget Measures), 2016</i>	December 8, 2016

The following information provides an overview of the Provincial rules and regulations governing municipal tax policy.

Capping Program Options

Capping was introduced by the Province in 1998 as a mandatory program to protect properties in the commercial, industrial and multi-residential classes from significant increases caused by reassessment. Legislation allows municipalities to finance the program by limiting tax decreases within each class - this is referred to as a clawback.

In September of 2008, the Ministry of Finance announced new options for the capping program. The options allow for properties that have reached their CVA taxes or cross from being a capped property to a clawback property and vice versa to be removed from the capping program. The option can be class-specific or for the entire program and must be detailed in the Municipal capping by-law on an annual basis. The use of the option to remove properties that had reached their CVA taxes resulted in the elimination of multi-residential properties from the capping program in 2009.

In 2015, the Province initiated a review of the capping program, which resulted in improved flexibilities to municipalities related to setting the capping criteria. The Province introduced the enhancements in 2016 through Ontario Regulation 102/16 and Bill 70 for municipalities to accelerate progress to CVA-level taxes and to exit or phase-out from the program under certain conditions. Further amendments through Ontario Regulation 131/17 enables municipalities to exclude vacant land from the phase-out eligibility criteria as well as exclude reassessment-related increases from the capping calculation.

Ranges of Fairness and Tax Ratios

Across Ontario, properties in different classes are taxed at varying municipal rates as a result of historical differences in tax burdens that were present prior to the Ontario-wide reassessment in 1998. For the most part, different relative tax shares continue to exist after reassessment, resulting in most businesses across Ontario paying higher property taxes than residential properties.

The different relative tax shares among property classes are based on the tax ratios set by municipalities. Changing the tax ratios will result in a shift of the tax share among classes.

Based on the current environment, taxing all properties at the same rate would result in massive tax shifts from business to residential properties. The Province recognizes that an immediate move to a position where all properties pay the same tax rate, regardless of class, would be too difficult for residential property owners to absorb. As a result, the Province permits municipalities to set different tax rates on each property class, subject to Provincially established “ranges of fairness”. The “Ranges of Fairness” represent what the Province determines is a fair level of taxation for various types of properties relative to the tax burden on the residential class. These ranges ensure that taxes are not shifted onto properties that are already subject to unfairly high tax rates, or to properties that are subject to unfairly low tax rates. Municipalities can leave their tax ratios at their current level or elect to move towards the ranges of fairness.

Based on Section 308 of *Municipal Act, 2001*, the tax ratio for the residential class is always set at 1.0. The following chart provides the Property Classes, the Provincially legislated “Ranges of Fairness”, the 2019 Halton Region Tax Ratios and the Threshold Ratios.

The different historic relative shares are reflected in the tax ratios. These relative shares are used to calculate the municipal tax rate of each property class in relation to the residential class. For example, in 2019 Commercial properties in Halton Region are required to pay approximately 1.4565 times more municipal property taxes than their residential counterparts based on the CVA.

Moving tax ratios closer to the Residential rate of 1.000 would result in significant tax shifts among property classes. Assuming that the total municipal taxes remain the same, any reduction in the tax ratios for multi-residential, commercial or industrial classes would directly impact residential property taxes by increasing the tax share on that class.

The *Municipal Act, 2001* provides upper-tier municipalities with the authority to set the tax ratios which then apply to all lower-tier municipalities within the upper-tier, or the upper-tier municipality can delegate the authority for tax ratio setting to the lower-tier municipalities. This allows the lower-tier municipalities to establish tax ratios specific to their own assessment base. Upper-tier municipalities that choose to delegate this authority must develop an apportionment methodology to determine the amount of upper-tier levy that each of the lower-tier municipalities would be required to raise. Delegation requires unanimous lower-tier agreement as well as approval from the Minister of Finance. Peel Region

opted to delegate the authority for setting tax ratios beginning with the 1998 taxation year, and is currently the only upper-tier municipality in Ontario that has delegated this authority to its lower-tier municipalities.

Municipalities are not permitted to apply municipal levy increases on the commercial, industrial or multi-residential classes if the tax ratios for those classes exceed the prescribed threshold ratios, as shown in the following table.

These threshold ratios define the average relative municipal tax for each property class in relation to the residential class across the province. For example, across Ontario, commercial tax rates are on average 1.980 times more than the municipal tax rates for their Residential counterparts in 2019. Halton’s tax ratios recommended in 2019 do not exceed the Provincial thresholds.

Where a tax ratio, or the previous year’s tax ratio, falls within the ranges of fairness, the municipality may move the tax ratio anywhere within the range. Where the tax ratio, or the previous year’s tax ratio, falls outside the range, the municipality may keep the existing tax ratio or move it closer to the range. Municipalities may not move tax ratios further away from the range than the tax ratio of the previous year, except if permitted by Provincial regulations.

Property Class	Range of Fairness (Provincially Legislated)	2019 Halton Tax Ratios	Threshold Ratios
Residential	1.00	1.0000	
Multi-Residential	1.00 - 1.10	2.0000	2.0000
New Multi-Residential	1.00	1.0000	
Commercial	0.60 - 1.10	1.4565	1.9800
Industrial	0.60 - 1.10	2.3599	2.6300
Pipe Line	0.60 - 0.70	1.0617	
Farm	0 - 0.25	0.2000	
Managed Forests	0.25	0.2500	
Landfill	0.60 - 1.10	1.4565	25.0000

Summary of the Rules and Regulations Governing Municipal Tax Policy

The following table provides a brief summary of the prescribed Provincial tools that are available to municipalities in establishing their tax policies.

Tool	Mandatory vs. Discretionary	Property Class	Comments
Changing Tax Ratios	Discretionary	Multi-Residential Commercial Industrial Pipe Line Farm	<ul style="list-style-type: none"> The upper-tier municipality has the option of changing the relative burden between classes of properties from those prescribed by the Province. This provides Halton Region with a tool to lower the relative tax burden on commercial, industrial, pipe line, farm and/or multi-residential classes. Should Halton Region elect to lower the tax ratios for any of these classes, there will be an offsetting increase in municipal taxes for the other classes most significantly to the residential class as this is the single largest component. Municipalities are required to pass by-laws setting their tax ratios each year unless prescribed otherwise by the Minister of Finance (Section 308 (5), <i>Municipal Act, 2001</i>). Halton's tax ratios have remained unchanged since 2001, with the exception of the multi-residential tax ratio, which was reduced from 2.4439 to 2.2619 in 2001 and then to 2.0 in 2017; the new multi-residential tax ratio, which was reduced from 2.0 to 1.0 in 2018; and the Farm tax ratio, which was reduced from 0.25 to 0.20 in 2006.
Relief for Low-Income Older Adults & People with Disabilities	Mandatory Program with Discretionary Program Rules	Residential	<ul style="list-style-type: none"> The upper-tier municipality is required to provide a relief program for all tax increases including municipal levy increases. Halton Region must establish a policy outlining their definition of low-income older adults and low-income people with disabilities. The Region must also decide whether the relief program will be in the form of a cancellation of the tax increase, rebate or deferral. The program is administered by the lower-tier municipalities. Halton Region has had a tax increase deferral program in place since 1998 for low-income older adults and people with disabilities.

Tool	Mandatory vs. Discretionary	Property Class	Comments
Optional Relief from Hardship	Discretionary Program	Residential Farm Managed Forests	<ul style="list-style-type: none"> • Should the local municipality decide to create a program, they must create their own definition of “unduly burdensome”. • Should the local municipality establish a program, it must also determine the amount of relief and the eligibility criteria. • The cost of the relief program is automatically shared by school boards in respect of the education portion of the tax. • Upper-tier municipalities have the option of sharing the cost with respect to the upper-tier portion of the property tax. • The upper-tier municipality would need to pass a similar by-law to agree to cost share the program. • Halton Region has opted into local municipal programs such as the low-income older adults rebate instituted in 2008 and currently offered by the City of Burlington, the Town of Halton Hills and the Town of Oakville.



Tool	Mandatory vs. Discretionary	Property Class	Comments
Capping	Mandatory Program with Discretionary Program Rules	Multi-Residential Commercial Industrial	<ul style="list-style-type: none"> • The Province has required capping programs on taxes in the business classes since 1998 (Bill 79). • The Region is required to make adjustments between the lower-tier municipalities to ensure no city/town within Halton is left with a shortfall or surplus. <p>Through O. Reg. 102/16 of the <i>Municipal Act, 2001</i> the Province provided municipalities additional flexibility in the business property tax capping program to accelerate progress to CVA-level taxes and to exit or phase-out from the program under certain conditions:</p> <ul style="list-style-type: none"> • Municipalities can increase the amount of the minimum annual increase for capped properties from 5% to 10% of the previous year's CVA-level taxes. • Municipalities can move capped or clawback properties directly to their CVA taxes if they are within \$500 of their taxes (up from \$250). • Municipalities are eligible for a four-year phase-out from the capping program once it has no capped properties beyond 50% of CVA level taxes in a property class. • Municipalities with no properties currently remaining in the capping program are eligible to exit the program immediately. <p>Through O. Reg. 131/17 of the <i>Municipal Act, 2001</i>:</p> <ul style="list-style-type: none"> • Municipalities can choose to exclude vacant land from the phase-out eligibility criteria where all properties must be within 50% of CVA level taxes. • Municipalities can exclude reassessment-related increases from the capping calculation <p>In 2018, Halton's capping program criteria consisted of:</p> <ul style="list-style-type: none"> • properties that have reached CVA-level taxes will be excluded from the program; • an annual cap of the greater of 10% of the previous years' annualized taxes or 10% of the previous years' CVA level taxes; • if the calculated capped taxes are within \$500 of the full CVA taxes, the property is moved to its full CVA taxes; and • properties where the taxes have crossed over CVA taxes are to be excluded from capping. <p>The existing capping criteria used in 2018 continue to apply in 2019. In addition, through Report No. FN-18-19 re: "2019 Tax Policy", staff are seeking Regional Council approval to implement the four-year phase-out of eligible property classes, excluding vacant land, as well as the exclusion of reassessment-related increases in the 2019 capping calculation.</p>

Tool	Mandatory vs. Discretionary	Property Class	Comments
Optional New Class	Discretionary	<p>Commercial</p> <ul style="list-style-type: none"> • Office Building • Shopping Centre • Parking Lot & Vacant Land • Residual Commercial • Professional Sports Facility • Resort Condominium <p>Industrial</p> <ul style="list-style-type: none"> • Large Industrial 	<ul style="list-style-type: none"> • The upper-tier municipality has the option of establishing any of the optional classes that the Province defined in the legislation. • This provides municipalities with additional flexibility to target specific optional classes of properties and permits different tax ratios for each of these classes within the Provincial guidelines. • Halton has no optional property classes.
Graduated Tax Rates	Discretionary	<p>Commercial Industrial</p> <p>(Note: not permitted in the optional classes)</p>	<ul style="list-style-type: none"> • Allows the upper-tier municipality to establish up to three different tax rates within these classes to tier the taxes paid based on municipally defined assessment bands (i.e., 0-\$200,000; \$200,000-\$1,000,000; \$1,000,000+). • This tool provides the ability to protect lower valued commercial and industrial properties by allowing municipalities to apply lower tax rates for the first band of current value assessment on every property within the class. • This program is self-funded within the class, and as such, by providing a lower tax rate for a lower band, increases the tax rate for the higher bands. • Halton Region does not use graduated tax rates.

Tool	Mandatory vs. Discretionary	Property Class	Comments
Phase-In	Discretionary Program	All Classes	<ul style="list-style-type: none"> • The upper-tier municipality is permitted to phase-in tax changes. • This tool can be used in any/all classes of properties. • Municipalities have the option of phasing in tax changes over a period of up to eight years. • This provides property owners with time to adjust to their new burden. • This program can be funded from within the class, or through budgetary provisions. • Municipalities have the option of establishing a program for any one or all of the classes: <ul style="list-style-type: none"> • Can set percentage of tax increase that is permitted in any given year. • Can establish other criteria on the phase-in policy such as a minimum amount to be phased in (\$ threshold). • Halton Region has no phase-in program.
Municipal Tax Reductions	Discretionary Program	Multi-Residential Commercial Industrial	<ul style="list-style-type: none"> • Replaces the municipal tax rebate tool under Section 442.2 of the <i>Municipal Act, 2001</i>. • Municipalities can reduce taxes for these properties down to the cap limit by processing a reduction on the tax bill rather than issuing an after-the-fact rebate. • Municipalities fully fund the cost of tax reductions under this mechanism – no sharing with school boards. • Halton Region has no municipal tax reduction programs.

Tool	Mandatory vs. Discretionary	Property Class	Comments
Rebates to Charities	Mandatory Program with Discretionary Program Rules	Commercial Industrial	<ul style="list-style-type: none"> • The upper-tier municipality must provide rebates of at least 40% of property tax starting in 2001 for eligible properties. • Charities will be eligible for this mandatory rebate program if they have a valid registration number issued by the Canada Revenue Agency. • Charities who are tenants of a business property are also eligible for the rebate – similar to charities that own their property. • Halton Region has the option of providing rebates from 40% to 100% of the property tax paid by eligible charities. • Halton Region has the ability to extend the rebate program to organizations that are similar to eligible charities (non-profit organizations). • The program is administered by the lower-tier municipalities. • In 1998, Halton Region established a program to provide a 40% rebate for eligible charities.

Tool	Mandatory vs. Discretionary	Property Class	Comments
Tax Reductions for Heritage Properties	Discretionary Program	All Property Classes	<ul style="list-style-type: none"> • A local municipality may provide tax reductions or refunds to heritage properties. • Must be designated under the <i>Ontario Heritage Act</i>. • Reduction or refund must be between 10% and 40%. • Cost of the program is automatically shared with the school board in respect of the education portion of the tax. • Upper-tier municipalities have the option of sharing the cost with respect to the upper-tier portion. • The upper-tier municipality would need to pass a similar by-law to agree to share the cost of the program. • In Halton, Halton Hills and Burlington provide tax reductions for heritage properties. • Halton Region passed By-law 32-16 in 2016 to cost share in the Heritage Tax Rebate programs with the Local Municipalities. The specific percentage applicable for an Eligible Heritage Property will be the same as that provided for by the lower-tier by-law.

Property Tax Relief for Residences built or modified to accommodate Older Adults or People with Disabilities

The *Assessment Act, 1990* contains provisions to exempt from property taxes any alterations and additions that are made to existing residential properties to accommodate older adults or people with disabilities. The exemption also applies

to the prescribed portion of newly built homes that are designated to accommodate these individuals. It is the responsibility of the property owner of the eligible property to apply to MPAC for the exemption.



Property Tax Relief for Older Adults with Low Incomes - The Older Adults Property Tax Deferral Program

Halton is home to approximately 67,000 older adults aged 65 years and older. By 2031, it is expected that this number will double as people live longer and healthier lives.

The Region is committed to providing policies, programs and services that support older adults. As part of this commitment, Regional Council approved the implementation of the Older Adults Property Tax Deferral Program (FN-06-16) in 2016. Although this is not a prescribed Provincial tool, the Region has introduced

the program to help eligible seniors remain in their homes by deferring their full property taxes without interest. The deferral is provided by way of a grant from Halton Region to each participating Local Municipality with respect to the Eligible Property for the benefit of the Eligible Person(s). This program was adopted by local municipalities and commenced on July 1, 2016. It is the responsibility of the eligible property owner to apply/renew annually to their Local Municipality each year. Further details of the program are available at halton.ca.



Education Taxes

As discussed earlier, a property tax bill is made up of municipal and education taxes. This part of the manual discusses the treatment by the Province of education taxes for residential and business properties.

Residential Education Tax Rates

In 1998, the Province established a province-wide residential/multi-residential education tax rate. This rate is updated on an annual basis. This means that regardless of where you live in Ontario, a residential property will pay the same rate of education taxes.

At the time of printing, the 2019 Education rates had not been received from the Province.



Business Education Tax (BET) Rates

BET Rates for Commercial, Industrial and Pipe Line tax classes are not standardized across the province. The Province determines the rate for each municipality to ensure that the same amount of taxes is collected across the province.

The following table summarizes the notional residential and business education rates for 2019. At the time of printing, the 2019 Education rates had not been received from the Province.

PROPERTY CLASS	2019 TAX YEAR
Residential	0.00160249
Multi-Residential	0.00160249
New Multi-Residential	0.00160249
Commercial	0.00800100
Industrial	0.01166525
Industrial - New Construction	0.01024864
Pipe Line	0.01058335
Farm	0.00040062
Managed Forests	0.00040062
Landfill	0.00800100

Frequently Asked Questions

Q. What is a reassessment?

A. Reassessment is the process of updating the assessed values of all properties in a municipality to a common valuation date. Provincial legislation requires the Municipal Property Assessment Corporation (MPAC) to update all assessed values on a regular basis.

Q. Who carries out a reassessment?

A. Property assessors who work for MPAC determine a property's assessed value. Halton Region is not responsible for the calculation of a property's assessed value and has no authority to change these values. Any inquiries about a property's assessment should be directed to the MPAC office shown on the Property Assessment Notice.

Q. Whom do I contact if I have questions about my Assessment Notice?

A. If you have questions about your Property Assessment Notice, assessed value, or about assessment in general, please contact MPAC. A list of ways to do so is on your Notice.

Q. What is a tax rate and how is it linked to the assessed value?

A. The tax rate is related to the budgetary needs of a municipality and the Provincial determination of education requirements. Each property class has its own tax rate. The tax rate, multiplied by the assessed value, results in the amount of property taxes payable.

For example, if the residential tax rate is 1.0% and the assessed value is \$300,000, the property taxes would be \$3,000 ($\$300,000 \times 1.0\%$).

Q. What is phased-in reassessment?

A. Starting in 2013, assessment increases have been phased-in over a four year cycle. This mandatory phase-in will apply to all property classes. The phase-in does not apply to assessment decreases, as any decreases have been fully realized in the first year of the phase-in cycle.

Example: An \$80,000 assessment increase will be phased-in equally in increments of \$20,000 each year over 4 years as follows:

From: \$500,000 To: \$580,000

Year	Assessment
2013	\$520,000
2014	\$540,000
2015	\$560,000
2016	\$580,000

Q. Who made the decision to implement a reassessment?

A. The Provincial government determines reassessment programs and reassessment programs are mandatory and province-wide.

Q. What is the valuation date of my new assessment?

A. Your valuation date of your current assessment is January 1, 2016. The valuation date of your previous assessment was January 1, 2012.

Q. If my property is built in 2015, what is my valuation date?

A. If your property is built anytime before January 1, 2016, your valuation date will be January 1, 2016. MPAC will determine a value for your property as of this date.

Q. How does MPAC assess my property?

A. Your assessment is determined using a variety of factors which include:

- recent sales of similar properties in surrounding neighbourhoods and sub-neighbourhoods;
- three years of sales in most market areas are used in this analysis; and
- property features such as: location, size of lot and dimensions, living area, age of property, renovations, and quality of construction are all factors taken into consideration when determining the market value of property in Ontario.

Q. Why has there been a change to the reassessment system with the introduction of a four year phase-in of assessment increases?

A. In recent years, there have been significant changes in property values, caused by market forces, which can impact property tax liability levels. This new system of phasing-in assessment increases will provide a greater level of stability and predictability.

Q. Will this new reassessment benefit me?

A. The phase-in will help to smooth out increases and provide a more gradual move to the new assessment level.

Q. How do I appeal my assessment?

A. The first mandatory step is to file a Request for Reconsideration (RfR) with MPAC by the date printed on your Property Assessment Notice for Residential, Farm, and Managed Forest property classes. For all other classes, filing an RfR is not a mandatory first step.

Q. What assessment value is appealed, the full value or the phased-in value?

A. The assessment value that must be appealed is the full value, which is the 2020 tax year value.

Q. When will MPAC issue a decision based on the RfR?

A. MPAC is required to issue the RfR decision within 180 days after receiving the request or will contact you if more time is needed.

Q. What if I don't agree with MPAC's decision of my RfR?

A. You may file an appeal to the Assessment Review Board (ARB) within 90 days of MPAC mailing the RfR decision.

Q. Who should I contact regarding assessment concerns?

A. You should contact MPAC for questions relating to assessment and filing for a RfR. They can be reached by telephone at 1-866-296-6722 or visit their website at www.mpac.ca to find more information or to download the RfR form.

Q. What if my property value has decreased since January 1, 2016?

A. The legislated valuation date for this current reassessment is January 1, 2016. The purpose of the Provincial government establishing a phase-in of assessment valuation increases is to provide a greater level of stability and predictability while avoiding significant fluctuations in assessment values resulting from annual valuation changes.

Q. Why aren't Property Assessment Notices and tax bills sent at the same time?

A. The main reason is that municipalities cannot calculate property taxes without having the assessed values. The *Assessment Act, 1990* requires MPAC to mail Property Assessment Notices at least 14 days prior to the delivery of the Assessment Roll to the municipality on the second Tuesday in December. The municipality uses the values on the final Assessment Roll, approved regional and local municipal budgets and education taxes to calculate final tax bills.

Q. How are residential property taxes calculated?

A. Residential property taxes are calculated using the property's assessed value, the municipal tax rates (Region and Local) and an education tax rate, which is set by the Province.

Assessed Value x Municipal Tax Rate =
Amount of Municipal Property Tax

+

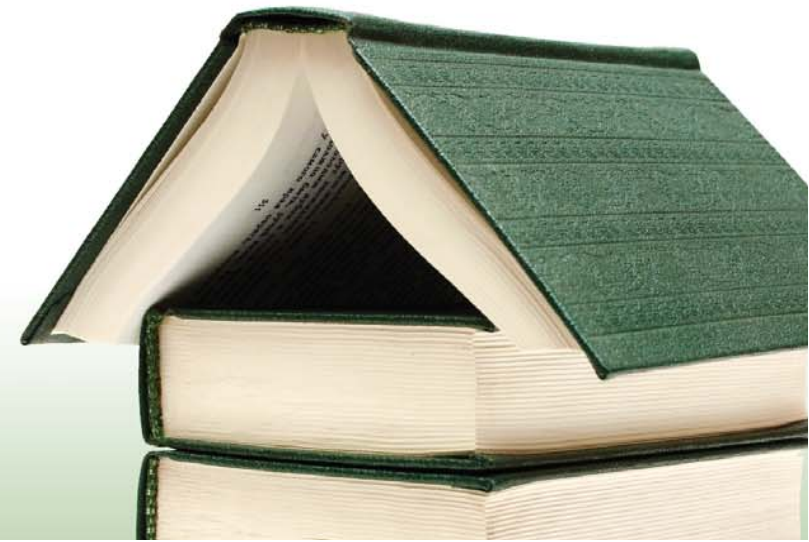
Assessed Value x Education Tax Rate =
Amount of Education Property Tax

=

Your Property Taxes



Glossary of Terms



Assessed Value (Assessment)

The value of a property (lands and buildings) for taxation purposes.

Assessment Act, 1990

The law that governs the way property is assessed in Ontario.

Assessment Cycle

The yearly cycle of assessment-related activity which leads to the delivery of assessment rolls to municipalities in December.

Assessment Review Board (ARB)

An independent, adjudicative tribunal of the Ontario Ministry of the Attorney General. The ARB hears appeals from individuals who believe a property has been incorrectly assessed or classified. A decision made by the ARB is final unless a point of law is being disputed.

Assessment Roll

An annual list of the assessed values of all properties in a municipality, which includes the name of the property owner or tenant, their address, the realty tax class, services to and size of the property, and information on structures on the property, if any.

Capping and Claw back

Capping refers to a municipality's option to limit, or cap, the tax increases on commercial, industrial and multi-residential properties. The limit on tax decreases, in order to fund capping, is known as a claw back.

Core Classes

Set of nine classes which all municipalities will be required to use. These are residential, multi-residential, new multi-residential, commercial, industrial, pipe line, farm, managed forests and landfill. The assessors working for MPAC categorize the assessment associated with each property into one or more of these classes.

Current Value

Refers to the amount of money a property would realize if sold at arm's length by a willing seller to a willing buyer.

Exempt Property

Property which is assessed, but not taxed. Generally, properties which are exempt from property taxes provide services for the public good, such as schools, churches and hospitals. Other charities and philanthropic organizations mentioned in the *Assessment Act, 1990* may be given exempt status if certain criteria are met.

Final Tax Rates

The rates determined to raise the annual budget property tax amount including all tax policy changes for the current year.

Graduated Taxes

A municipality (single-tier or upper-tier) has the option to establish up to three graduated tax bands within the commercial and industrial classes. This tool provides the ability to protect lower valued properties by allowing municipalities to apply different tax rates for each band of current value assessment. However, as the program is self-funded from within the class, decreasing the tax rate in lower band has the effect of increasing the tax rate in the upper band.

Lower-tier municipality

A municipality that is part of a county, region or district municipality.

Municipal Act

The statute governing how municipalities administer municipal services and collect taxes (e.g., property taxes are calculated and collected by the municipality using the assessments determined by MPAC).

Municipal Property Assessment Corporation (MPAC)

Established by the *Municipal Property Assessment Corporation Act*, MPAC administers and determines a uniform, province-wide system of current value assessment for all properties.

Omitted Assessment

An assessment which has not been recorded on the assessment roll. When an omitted assessment is added to the assessment roll, property taxes can be collected for the current year and, if applicable, for any part or all of the previous two years.

Payment-in-lieu of Taxes

Payments made to municipalities by the Provincial or Federal government, where properties are exempt from property taxation. Also known as grant-in-lieu of taxes.

Phase-In

Upper-tier or single-tier municipalities have the option of establishing a program to phase-in all property tax changes that occur in the year of a general reassessment, including municipal budgetary increases. Phase-in programs can apply to any or all of the property classes and may be spread over a period of up to eight years.

Property Assessment Notice (PAN)

A notice sent to all property owners to advise them of their property's current value assessment. The Notice also contains the property's classification and school support designation.

Property Classification (Tax Class)

A categorization of a property or a portion of a property according to its use, with each category representing a different tax class. There are nine major classes of property which are mandatory (residential, multi-residential, new multi-residential, commercial, industrial, pipe line, farm, managed forests, landfill) and seven specialty classes which are optional (office building, shopping centre, parking lot and vacant land, residual commercial, large industrial, professional sports facility and resort condominium).

Property Tax

The combined tax on a property comprising the municipal (local) tax and, if applicable, a region or county tax. An education tax will also apply to most property classes.

Ranges of Fairness

Provincially prescribed ranges for the setting of tax ratios for the multi-residential, commercial, industrial, pipe line, farm and landfill classes. Municipalities are permitted to change their tax ratios only if the ratio is moved closer or within the ranges of fairness.

Realty Tax Class (RTC)

The designation used to identify the property class to which the property belongs.

Realty Tax Qualifier (RTQ)

The designation used to identify the sub-class to which the property belongs. These were established in order to allow for the application of discounted tax rates due to the special nature of some properties.

Reassessment

The process of creating a new base for property taxation by updating assessments to reflect more recent values.

Regulated Assessments

Assessments that are determined by the activity or production capability or by a legislated rate, rather than by the value of the property itself. Regulated properties include pipe lines, rights-of-way, power utility corridors and power generating stations.

Request for Reconsideration (RfR)

Property owners who disagree with the current value assessment or classification on their Property Assessment Notice may ask MPAC to conduct a review of their assessment through the Request for Reconsideration process. There is no fee for this service and a request can be made up to March 31 for the current taxation year. This process is now mandatory for residential property owners who disagree with their assessed values.

Residential Tax Rate

Determined by dividing the total Municipal Levy by the total weighted assessment, used as the basis for determining all other property tax class rates.

Roll Number

A unique 19-digit number used as an identifier for each property.

School Board

A district school board (English-language public or separate, French-language public or separate) or a school authority.

Subclass Rate Reduction

The percentage rate as prescribed by the *Municipal Act* to be applied to reduce the tax rate that would otherwise be levied for municipal purposes for the subclass (e.g., sub-class CU would be reduced by 30% of the CT tax rate).

Subclass of Property

A subsection of a class of property prescribed by the Minister of Finance for the purposes of applying a lower tax rate. These include farm land awaiting development, excess land and vacant land.

Supplementary Assessment

An assessment made during a taxation year for an addition, renovation or construction. When a supplementary assessment is added to the assessment roll, additional property taxes can be collected for that portion of the current tax year that the supplementary addresses. A supplementary assessment can also be issued when there has been a change in the tax class of a property. The classification may occur during the taxation year, or the preceding November

or December. Where the class change results in a higher tax rate, municipalities cannot collect additional taxes for those two months but only for the current tax year.

Taxable Property

All property in a municipality which is not exempt from taxation.

Taxation

The process of applying a tax rate to a current value assessment to calculate the taxes owing.

Taxation Year

The calendar year (January 1 to December 31).

Tax Rate

A percentage applied to the assessed value of a property to generate tax payable. Municipalities will set the tax rate for each property class based on the revenue they will need to provide local services. The tax rate also includes an education component defined by the province.

Tax Ratio

Defines the tax rate of each property class in relation to the rate of the residential property class.

Threshold Ratio

Provincially regulated ratios for the multi-residential, commercial, industrial and landfill classes, defining the average tax ratio across the Province.

Upper-tier municipality

A municipality which is a county, region or district municipality.

Valuation Date

A fixed date set by the Provincial Government on which current value assessments are based. The current valuation date in Ontario is January 1, 2016.

Weighted Assessment

The assessment for a property multiplied by the tax ratio, established for the property class the property is in.

Contacts

The following offices can be contacted for more information about assessment and property taxation.

Ontario Ministry of Municipal Affairs and Housing (MMAH)

Phone: 416-585-7041

www.mah.gov.on.ca

Ontario Ministry of Finance

Phone: 1 866 668-8297

www.fin.gov.on.ca/en

Municipal Property Assessment Corporation (MPAC)

Phone: 1 866 296-MPAC (6722)

www.mpac.ca

Halton Region

Phone: 905-825-6000

halton.ca

City of Burlington

Phone: 905-335-7750

burlington.ca

Town of Halton Hills

Phone: 905-873-2601

haltonhills.ca

Town of Milton

Phone: 905-864-4142

milton.ca

Town of Oakville

Phone: 905-338-4222

oakville.ca

Tax Policy Deadlines

Due Date	Responsibility		Act / Regulation	Description	Action Required
Annual / Optional by December 31	Council	Region	<i>Assessment Act, 1990, Section 2 (3.2)e</i>	Deadline to pass by-law to establish optional classes.	None required unless establishing an optional class, then by-law
Annual / Optional by December 31	Council	Region	<i>Municipal Act, 2001, Section 316 (1)</i>	Deadline to pass by-law setting Regional interim levy.	By-law
February 28	Council	Region	<i>Municipal Act, 2001, Section 310 (1)</i>	Deadline to pass by-law (including apportionment plan) to delegate tax ratio setting to the lower-tier municipalities.	By-law
February 28	Council	Local	<i>Municipal Act, 2001, Section 310 (3)</i>	Deadline to pass resolution accepting the Region's delegation by-law including apportionment plan.	Resolution
April 1	Minister	MMAH	<i>Municipal Act, 2001, Section 310 (4)</i>	Deadline to make a general regulation designating the upper-tier municipality to which delegation can apply.	General Regulation
Annual / Mandatory by December 31	Council	Region	<i>Municipal Act, 2001, Section 308 (5)</i>	Deadline to pass by-law establishing the tax ratios for a year if not delegated.	By-law
Annual / Mandatory by December 31	Council	Local	<i>Municipal Act, 2001, Section 310 (7)</i>	Deadline to pass by-law establishing the tax ratios for a year if delegated.	By-law
Annual / Mandatory by December 31	Council	Region	<i>Municipal Act, 2001, Section 311 (2)</i>	Deadline to pass by-law setting the Regional general levy.	By-law
Annual / Mandatory by December 31	Council	Region	<i>Municipal Act, 2001, Section 311 (4)</i>	Deadline to pass by-law setting the Regional special levy (Waste Management)	By-law
Annual / Mandatory by December 31	Council	Region	<i>Municipal Act, 2001, Section 329.1 (2)</i>	Deadline to pass by-law to adopt the optional tax capping tools to be applied to properties in the commercial, industrial and multi-residential classes in the current taxation year.	By-law
Annual / Optional by December 31	Council	Region	<i>Municipal Act, 2001, Section 314</i>	Deadline to pass by-law to establish graduated tax bands and graduated rates for the industrial and / or commercial classes.	None required unless establishing graduated tax rates, then by-law
Annual / Optional by December 31	Council	Local	<i>Municipal Act, 2001, Section 365 (1)</i>	Deadline to pass by-law to provide for the cancellation, reduction or refund of taxes when the taxes are considered to be unduly burdensome (low-income older adults rebate).	None required unless establishing a rebate program, then by-law
Annual / Optional by December 31	Council	Region	<i>Municipal Act, 2001, Section 365 (2)</i>	Deadline to pass by-law to cost share in local municipal programs provided through Section 365 (1).	None required unless cost-sharing in local programs, then by-law
December 31	Council	Region	<i>Municipal Act, 2001, Section 318</i>	Deadline to pass by-law to establish a phase in program of tax changes resulting from reassessments.	None required unless establishing a phase in program, then by-law

Notes

