



The Corporation of the Town of Milton

Report To: Council

From: Glen Cowan, Chief Financial Officer / Treasurer

Date: May 25, 2020

Report No: CORS-032-20

Subject: 2020 Final Tax Levy By-law and Tax Policy update

Recommendation:

1. THAT the 2020 final tax rates for the Town of Milton that are identified in Appendix D, including a general tax rate for the Town that is based on a levy requirement of \$68,886,916 and assessment growth of 2.49%, be approved;
2. THAT the final due dates for 2020 tax payments that are identified in Appendix D be approved, including the deferral of the third installment of the regular billing and due date installment programs to August 31st and the fourth installment to October 30th;
3. THAT staff be authorized to administer the COVID-19 Tax Deferral (by application) Program as outlined in Appendix A;
4. THAT the Overdue Tax Notice Fee as presented on Schedule H of By-law 071-2019 (User Fee By-law) be waived for the months of July and September 2020;
5. THAT the final tax rate by-law on today's agenda be considered for approval.

EXECUTIVE SUMMARY

Through this report, staff are recommending Council approve the 2020 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 2020 Budget.

This report also establishes the tax due dates for the remainder of 2020 and summarizes the tax policy approved by Halton Regional Council. The due dates have been revised



from the Town's normal timing in order to provide relief to property owners in light of the COVID-19 pandemic, and expand on the relief previously provided via CORS-020-20.

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 D, once approved by Council, will provide for a 2020 final tax levy, based on individual tax rate calculations for the upper and lower tiers as well as for the Province's education rate. Although the draft by-law outlines the tax rates for each of these three levels of government, local Council is only required to approve the local tax rates and installment due dates. The education tax rates are prescribed by the Province and the upper tier tax rates are approved by Regional Council.

Discussion

SECTION 1: Local Municipal Tax Rate Setting Overview

- *Tax Ratio Overview*

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

For the 2020 taxation year, the Region has approved the continuance of the 2019 Tax Ratios with the exception of a reduction in the Industrial tax ratio (due to the elimination of the vacant and excess land discounts) and the adoption of the Commercial and Industrial Small-scale subclass ratios, which are explained in further detail in the tax policy section of this report & appendices.



Class	2019 Tax Ratios (Lower Tier and Upper Tier)	2019 Tax Ratios (Education)	2020 Tax Ratios (All*)
Residential	1.000000	1.000000	1.000000
Multi Residential	2.000000	2.000000	2.000000
New Multi Residential	1.000000	1.000000	1.000000
Commercial occupied	1.456500	1.456500	1.456500
Commercial Small-scale	N/A	N/A	0.364125
Commercial vacant land	1.456500	1.238025	1.456500
Industrial occupied	2.359900	2.359900	2.090700
Industrial Small-scale	N/A	N/A	0.522675
Industrial vacant land	2.359900	1.946917	2.090700
Land awaiting development	0.750000	0.750000	0.750000
Pipeline	1.061700	1.061700	1.061700
Farmland	0.200000	0.250000	0.200000*
Managed Forest	0.250000	0.250000	0.250000

* Upper and Lower Tier ratio shown for Farmland in 2020. Education ratio remains at 0.25

- *2020 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 had been undertaken of vacant and excess land subclass discount, which previously provided a tax reduction of 30% to commercial and 35% to industrial properties with vacant or excess land.

2020 is the first taxation year where municipalities within Halton Region have fully eliminated the subclass discounts to align with the Province which had started the phasing-out of the vacant and excess land subclass discount on the education portion in 2019.

Below are the 2020 discount factors accordingly:

Class	Local	Region	Education
Farmlands	80%	80%	75%
Managed Forests	75%	75%	75%
Commercial Vacant/Excess land	0%	0%	0%
Industrial Vacant/Excess land	0%	0%	0%
Land awaiting Development	75%	75%	75%



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- *2020 Unweighted Assessment*

The Municipal Property Assessment Corporation (MPAC) is responsible for submitting to the Town the annual assessment roll. The unweighted assessment for 2020 as provided on that returned roll equals:

Class	2020 Unweighted Assessment
Residential	21,316,997,506
Multi-Residential	151,888,700
New Multi-Residential	12,530,800
Commercial Occupied	2,865,030,294
Commercial Small-scale	90,300
Commercial vacant land	109,717,219
Industrial Occupied	495,439,485
Industrial vacant land	259,946,000
Land awaiting development	16,348,000
Pipelines	107,554,000
Farmland	403,464,286
Managed Forests	42,338,400
Total	25,781,344,990

- *2020 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 2020 weighted assessment of \$27,763,071,312 is higher than the 2019 amount as a result of a 2.49% increase in net assessment growth and a 5.66% increase due to the 2020 phase-in of the 2016 Provincial reassessment cycle.



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Taxable Weighted Assessment Summary						
Class	2019 Tax Year	2019 Year End (Pre-flip)	% Change for in- Year Growth	2020 Tax Year	% Change related to Phase-in Valuation	Total % Change *
Residential	19,532,096,339	20,199,677,632	3.42	21,316,997,506	5.53	9.14
Multi-Residential	291,121,580	297,958,466	2.35	303,777,400	1.95	4.35
New Multi-Residential	12,517,475	12,517,475	0.00	12,530,800	0.11	0.11
Commercial	4,082,055,449	4,101,363,651	0.47	4,332,752,633	5.64	6.14
Industrial	1,509,084,853	1,457,184,968	(3.44)	1,579,284,433	8.38	4.65
Land awaiting development	13,469,249	11,132,812	(17.35)	12,261,000	10.13	(8.97)
Pipelines	111,211,653	111,013,184	(0.18)	114,190,082	2.86	2.68
Farmland	77,347,560	75,861,564	(1.92)	80,692,857	6.37	4.33
Managed Forests	9,740,845	9,618,137	(1.26)	10,584,600	10.05	8.66
Total	25,638,645,003	26,276,327,890	2.49%	27,763,071,312	5.66%	8.29%

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

It should be noted that the 2.49% net assessment growth figure presented above consists of a gross assessment growth of 3.02% less 0.53% in losses of assessment value due to appeals and reconsiderations that occurred in 2019. Also that the 5.66% increase due to the phase-in does not result in additional revenue to the Town, rather a redistribution of cost between property owners.

- *Town of Milton 2020 Budget*

On December 9, 2019, Milton Council approved the Municipal 2020 levy requirement of \$68,886,775 for Town Services including library. At time of budget approval, assessment growth of 2.48700% 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 2.48723% was identified.

As per CORS-073-19, 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 \$68,886,916 in order to reflect the higher assessment growth realized and a transfer of \$141 to the tax stabilization reserve has been included. The final budget book has also been updated accordingly.



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	2020 Approved Budget	2020 Final Levy
Assessment Growth	2.48700%	2.48723%
Tax Increase	5.68%	5.68%
Net Levy Requirement	\$68,886,775	\$68,886,916

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.

- *Final 2020 Tax Rate Calculation*

Combining the output of each of the above sections, the following table summarizes the calculation of the 2020 tax rates and resulting allocation of the Town's 2020 net budget requirement by property tax class.

2020 Local Municipal Tax Rate Calculation Summary					
Class	2020 Tax Ratio (Section 1)	2020 Unweighted Assessment (Section 2)	2020 Weighted Assessment (Section 3)	2020 Net Budget Requirement (Section 4)*	2020 Tax Rate (Net Budget / Unweighted Assessment)
Residential	1.000000	21,316,997,506	21,316,997,506	\$52,892,587	0.00248124
Multi-Residential	2.000000	151,888,700	303,777,400	\$ 753,745	0.00496248
New Multi-Residential	1.000000	12,530,800	12,530,800	\$ 31,092	0.00248124
Commercial occupied	1.456500	2,865,030,294	4,172,916,623	\$10,354,019	0.00361393
Commercial Small-scale	0.364125	90,300	32,880	\$ 82	0.00090348
Commercial vacant land	1.456500	109,717,219	159,803,129	\$ 396,510	0.00361393
Industrial Occupied	2.090700	495,439,485	1,035,815,331	\$ 2,570,107	0.00518753
Industrial vacant land	2.090700	259,946,000	543,469,102	\$ 1,348,478	0.00518753
Land awaiting development	0.750000	16,348,000	12,261,000	\$ 30,417	0.00186093
Pipelines	1.061700	107,554,000	114,190,082	\$ 283,333	0.00263433
Farmland	0.200000	403,464,286	80,692,857	\$ 200,219	0.00049625
Managed Forests	0.250000	42,338,400	10,584,600	\$ 26,263	0.00062031
Total		25,781,344,990	27,763,071,312	\$68,886,851	

*May contain differences due to rounding.

Consolidated Final 2020 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 D



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 2020 tax rates against the 2019 notional tax rate calculations.

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

	<u>2019 Taxes (Notional)</u>	<u>2020 Tax</u>	<u>Difference</u>
Local Services	234.80	248.12	13.32
Regional Services			
General & Waste Management	166.32	169.50	
Police	95.73	98.08	
Subtotal	262.05	267.58	5.53
Education ¹	153.00	153.00	0.00
Total	649.85	668.70	18.85

Schedule may not add due to rounding.

¹ Education reflects only final education rate prescribed in O.Reg.400/98 as updated on January 20, 2020 and aligns with figures presented in FN-12-20.

The \$668.70 cost per \$100,000 of residential assessment for 2020 represents a 2.90% increase over 2019. Of this amount, the local municipal share is \$248.12 per \$100,000 of residential assessment, which is an increase of 5.67% over the Town’s 2019 cost. These percentage changes capture both the result of the changes in the budgeted levy as well as the results of the changes in tax policy.

SECTION 2: Tax Policy Overview

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-12-20 was approved on March 26, 2020, incorporating such policies and programs for 2020.

Halton Regional Report FN-12-20, is attached as an appendix to this report and outlines in detail the key areas that impact the 2020 tax policies. Also provided as Appendix B is an overview of tax policies, with specific Milton context and figures provided.

SECTION 3: COVID-19 Relief

2020 Interim Tax Relief Approved through CORS-020-20



On March 30, 2020, in recognition of the financial impacts associated with COVID-19, Milton Council approved a relief program for the remaining interim property tax instalments for 2020. Through the program, interest and penalties were waived for a period up to June 30th. The following figures represent the utilization of the relief in relation to the collection of the 2020 interim billing:

- 147 properties that are registered in the PTP payment programs requested a deferral of at least a portion of their payments. This represents 1.45% of the total number of properties in the PTP monthly program.
• 86.6% of the \$102 million interim billing has been collected as of April 30th. This is down slightly from the 91.1% that the Town had historically collected at this point in time.

Further detail is provided as Appendix C to this report.

2020 Final Tax - Proposed Tax Relief Measures

1. Deferral of 2020 Final Tax Due Dates

To assist Milton ratepayers with financial pressure resulting from COVID-19, the following extensions of the 2020 final tax instalments are being recommended:

- Third Installment: from June 30 to August 31
• Fourth Installment: from September 30 to October 30

The above noted timing are expected to align with the other local municipalities in Halton and allow for collection of the 2020 levy in advance of the monthly PTP program for 2021 beginning. Each month of deferral will result in reduced interest earnings for the Town of approximately \$35,000.

On March 25th, the Province also announced through its 2020 Fiscal Update the deferral of the remaining municipal property tax remittances in 2020 (i.e. beyond the 90 day deferral of the second installment). The Region of Halton is also expected to consider a deferral of its remaining remittance deadlines at its Council meeting in June 2020.

Table with 4 columns: Provincial (School Board), Regional, Original, Revised. Rows show dates for March, June, September, and December 2020.

*Through O.Reg 73/20 of the Emergency Act and discussions with the Ministry of Finance the fourth Provincial payment will be paid in advance of installment three.

** See Regional report FN-19-20 for further detail.



These deferrals will help mitigate the monthly \$35,000 cost noted above, as the majority of the tax collection relates to amounts remitted to the Region and Province.

2. COVID-19 Tax Deferral (by application) Program

Further to a broad postponement of the final tax installments to August and October, there will still be some property owners under financial duress that will benefit from additional assistance for repayment of the 2020 property tax obligation beyond October 2020.

Property owners that are adversely impacted by COVID-19 and unable to pay property taxes by the revised final tax due dates of August 31, 2020 and October 30, 2020 can apply for a further re-payment plan if they meet eligibility criteria.

Property owners can apply for a one-time COVID-19 pre-authorized monthly re-payment plan. The plan consists of (up to) 6 monthly withdrawals beginning as early as August 12, 2020 through to a final withdrawal date no later than January 13, 2021.

Details of the proposed program are outlined in Appendix A.

3. Penalty and Interest

As part of the tax relief strategy for the 2020 Interim billing, Council approved the waiver of penalty/interest to June 30, 2020 to provide property owners a grace period in which to settle tax arrears or to pay the April 30th tax installment. For properties with tax arrears as of July 1, 2020, penalty/interest charges will resume.

Deferral of the final tax installment dates to August 31 and October 30, 2020 effectively affords ratepayers an extension to remit the final tax installments without incurring fees. The estimated amount of penalty revenue expected for 2020 is:

Table with 8 columns: Outstanding Balance, July, August, September, October, November, December, Total. Rows include Previous Year(s), Current Year, and Total.

* Estimates have been restated since CORS-020-20 based on current data. The value of foregone interest from penalty/interest from May & June is estimated at \$55,000 and \$50,000 for the prior years' outstanding, and \$170,000 and \$150,000 for current year outstanding, respectively.

When combined with the penalty and interest collected in the first quarter of 2020, the above estimate would result in a total collection for the year of \$1.2 million.



4. Extend Waiver of the Town's Overdue Notice user fee to October 31, 2020

The Town's user fee bylaw authorizes staff to levy \$5 per overdue notice issued. Should the extension of final tax due dates be enacted, staff will continue to issue overdue notices to residents and businesses during the months of July and September and forego the overdue notice fee. Estimated revenue of \$50,000 (10,000 x \$5) would be lost.

Following the final due date in October, the Town would revert back to its normal practices. As such, overdue notices issued in November and December 2020 would be subject to the \$5 issuance fee.

5. Interim Tax Relief Continuance for Existing PTP Monthly Program Registrants

In the event of unpaid Interim Deferral relief, or dishonored payments (e.g. non-sufficient funds/stop payments), owners already enrolled in the PTP Monthly program who carry an account balance as of the date of final billing in June 2020, will have this balance automatically absorbed into the final PTP monthly calculation and 1/5 of the arrears amount will be added to each of the June through October 2020 withdrawals.

Financial Impact

The Town of Milton's 2020 tax levy is \$68,886,916 and the 2020 Business Improvement Area tax levy is \$230,633. To meet financial obligations, staff are preparing to initiate the billing process for the 2020 final taxes. The installment due dates for the final 2020 billing are to be set as follows:

- **Regular Billing Program:** August 31, 2020; October 30, 2020
- **Monthly Pre Authorized Plan:** June 30, 2020; July 31, 2020; August 31, 2020; September 30, 2020; October 30, 2020
- **Due Date Pre Authorized Plan:** August 31, 2020; October 30, 2020

At a cost of \$248.12 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.

Unique to the 2020 tax collection is the consideration of the financial impacts associated with COVID-19. Town report CORS-020-20 considered the costs associated with the relief provided to date for the interim billing due dates. Within this final report consideration



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has been provided to the further costs that the Town can expect as they relate to the deferral of the final installment dates as well as the waiving of the overdue notice fee in the months of July and September. There will also be a cost in the form of foregone interest earnings for properties that apply and qualify for the further relief that is outlined in Appendix A, although at this time that amount is not expected to represent as significant a cost as the impacts noted above.

Respectfully submitted,

Glen Cowan
Chief Financial Officer / Treasurer

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

Attachments

Appendix A – COVID-19 Tax Deferral (by application) Program Details
Appendix B – Tax Policy Overview with Milton Context
Appendix C – Summary of Town of Milton Relief Provided in CORS-020-20
Appendix D – Draft Final Tax Rate By-law
Appendix E – Halton Regional Report FN-12-20

CAO Approval
Andrew M. Siltala
Chief Administrative Officer



Appendix A – COVID-19 Tax Deferral Program (by Application) Overview

Further to a broad postponement of the final tax installments to August and October, there will still be some property owners under financial duress that will benefit from additional assistance for repayment of the 2020 property tax obligation.

Property owners that are adversely impacted by COVID-19 and unable to pay property taxes by the revised final tax due dates of August 31, 2020 and October 30, 2020 can apply for a further re-payment plan if they meet eligibility criteria.

By application, ratepayers can apply for a one-time only COVID-19 Pre-authorized (PTP) monthly re-payment plan. The plan consists of (up to) 6 monthly withdrawals beginning as early as August 12, 2020 through to a final withdrawal date no later than January 13, 2021.

Taxes must be paid in full up to and including the February 28 2020 property tax installment. In the event prior arrears remain outstanding, those property owners can participate in the Town’s normal arrears repayment program.

At the chosen time of enrollment, the balance owing from the 2020 final billing, plus the April 30 2020 installment (if still outstanding) and any penalty/interest charged as applicable, will be divided by the number of months remaining, up to January 2021. The following table illustrates several potential scenarios:

	Original Due Date/Amount	Penalty added to late April and/or August installment	Outstanding 2020 Final Due	Enrollment date	Starting Withdrawal Month	Number of Withdrawals	Amount of each withdrawal
Example 1	Arrears from April 30 = \$1,600 Due August 31 = \$1,500 Due October 30 = \$1,500	\$20.00 (July 01 penalty) \$0.00 \$ 0.00	\$4,620.00	July 25 2020	August 12 2020	6	\$770.00
Example 2	Due August 31 \$1,500 Due October 30 \$1,500	\$ 0.00 \$ 0.00	\$3,000.00	August 14, 2020	September 16, 2020	5	\$600.00
Example 3	Due August 31 \$1,500 Due October 30 \$1,500	\$18.75 \$ 0.00	\$3,018.75	September 18 2020	October 14 2020	4	\$754.68



Program Criteria:

1. The program is intended for property owners that have been directly impacted with financial hardship as a result of the COVID-19 pandemic and are experiencing hardship in one or more of the following categories: temporary suspension of or reduction in pay, loss of employment, excessive business revenue loss or temporary business closure.
2. The 2020 Interim installment due February 28, and any prior year levies must be paid in full no later than the date of enrollment into the COVID-19 deferral program.
3. The program will be through a pre-authorized payment plan, therefore applicants will be required to provide the required banking information and authorizations.
4. Payment in Lieu of Tax properties are not eligible.
5. Applicants may be required to provide documentation to support hardship related to COVID-19. Examples of acceptable documentation may include notice of business closure, notice of layoff, notice of temporary suspension, letter from employer confirming hours or pay had been reduced, forced closure notice, etc., and the Town reserves the right to request additional information or documentation for verification purposes.
6. Business owners who have received compensation from Business Interruption Insurance coverage toward payment of property tax do not qualify.
7. Application deadlines:
 - a. The balance on account will be used to determine the withdrawal amount. This amount cannot include any property taxes owed from either the February 28, 2020 installment or previous years.
 - b. If the April 30 and/or August 31 2020 installments are past due at the chosen time of enrollment, the applicable penalty/interest to date will be included in the monthly calculation. Further penalty/interest charges will be suspended for the duration of enrollment in the COVID-19 PTP re-payment plan.
 - c. The earlier enrollment is completed, the greater number of monthly withdrawals can be provided prior to the January 13, 2021 finalization of the program. The deadlines by month are as follows:



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Application received and approved by:	Results in Deferral spread over:	Withdrawal dates:
July 31 2020	6 months	August 12, 2020 September 16, 2020 October 14, 2020 November 18, 2020 December 16, 2020 January 13, 2021
August 31 2020	5 months	September 16, 2020 October 14, 2020 November 18, 2020 December 16, 2020 January 13, 2021
September 30 2020	4 months	October 14, 2020 November 18, 2020 December 16, 2020 January 13, 2021
October 31 2020	3 months	November 18, 2020 December 16, 2020 January 13, 2021

Applications received after October 31, 2020 are not eligible.

6. Owners providing false or inaccurate information are ineligible to join the program or will be removed immediately from the program once verified, and all taxes, penalty and interest are payable at either the billed due date or (if already passed) immediately
7. The expectation is that property owners with tenants should be passing on the deferral arrangement. The Town will not assume any role in the landlord / tenant relationship.
8. Manual repayment without an approved application will be subject to penalty/interest.
9. Should a payment from this plan not be honored, the repayment plan will terminate and the balance will be considered arrears and subject to monthly penalty/interest effective that date.



Appendix B - Tax Policy Overview with Milton Context

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-12-20 was approved on March 26, 2020, incorporating such policies and programs for 2020.

Halton Regional Report FN-12-20 outlines in detail the key areas that impact the 2020 tax policies. FN-12-20 is attached as an appendix to this report, with relevant references related to tax policy noted below (with associated page references):

Capping Program (page 8 of FN-12-20)

Commencing 1998, the Town of Milton provided protection to approximately 1,000 properties across all three property classes. In 2019, Milton had 5 properties remaining under protection (4 in the commercial class and 1 in the industrial class). In 2020, Milton has only 4 properties remaining under protection (all 4 in the commercial class). These will be fully phased out from the capping program in 2023. 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 realize the full reduction rather than having a portion clawed back to fund the capping program.

Relief for lower income seniors (page 13 of FN-12-20)

The Town of Milton currently offers a program to assist lower income persons with their property taxes by allowing the 'year over year' tax increase to be deferred. This program is mandated by the Province through S.319 of the Municipal Act and is offered to both low income senior and low income persons with disabilities. The deferral is registered as a lien on title and must be paid back to the Municipality with interest at such time the applicant no longer owns the property. This mandatory deferral program has been in effect since 1998 and to date, the Town has not received any applications.

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

Key highlights of the OATDP:

- Full deferral of the annual taxes levied.
- All registered owners of a property must apply and to qualify must be 65 years of age by the end of the current year and the combined annual gross income must not exceed \$52,500.

- 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 (page 13 of FN-12-20)

In alignment with the requirements of Section 361 of the Municipal Act, a rebate is provided for eligible charitable organizations. For 2020, 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 2019 for the Town of Milton was \$26,365.

Vacant and Excess Land Subclasses Property Tax Discount (page 10 of FN-12-20)

On April 9, 2019, the Province issued their 2019 property tax decisions, indicating that the discounts on the education rates for the vacant and excess land subclasses would be completely phased out as of 2020, regardless of the municipality's decision to retain or remove the discounts. On November 22, 2019, the Ministry of Finance amended O.Reg. 580/17 providing the Region with authorization to proceed with the removal of these discounts in the 2020 taxation year.

Regional Council has approved the removal of the vacant and excess land subclass discounts for lower and upper tier 2020 taxation years and going forward to better align with the Province. This has provided an opportunity for the Region to reduce the Industrial tax ratio from 2.3599 to 2.0907.

Small-Scale Value-Added and Commercial Activities on Farms (page 11 of FN-12-20)

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

- For an industrial property, the land is primarily used to process or manufacture products produced from the land of the farming business.



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

There are currently 7 properties in Milton that qualify for these subclasses within the commercial property class. There are no industrial properties with these subclasses. Through Regional report FN-12-20 Tax Policy 2020, Regional council has approved the adoption of both the commercial and industrial subclasses. The first \$50,000 of assessment within the commercial subclass, C7, will receive a 75% reduction in the municipal tax rate.



Appendix C - Summary of Town of Milton Relief Provided in CORS-020-20

Following the declaration of a state of emergency on March 17, 2020, the Province of Ontario ordered closure of all non-essential businesses effective as of end of day March 24. As a result, a number of Milton businesses have closed and some residents continue to be financially impacted. On March 30, 2020 Council approved the following Interim property tax relief measures for businesses and residents:

- Waive penalty/interest charges during the months of April, May and June 2020 relating to currently outstanding taxes.
- Provide for a two month grace period where no penalty or interest is levied against the April 30th property tax installment until July 01, 2020.
- Waive the Town’s Dishonoured Payment and Cheque Pull/Re-file user fees as it relates to property taxes until June 30, 2020.
- Waive the Town’s Overdue Notice user fee to June 30, 2020.

Although the April 30, 2020 due date had not been deferred, the waiving of fees and penalties recommended enabled property owners to delay payment without additional costs until June 30th. The April 30th remittance from the Town of Milton to the Region of Halton had also been deferred by approximately 60 days, the School Boards’ by 90 days.

A total of 147 property owners participated in deferring payment of their April 30th Pre-Authorized tax installment (PTP) to either end of May or end of June. The value of the deferral amounted to \$1.1M or 1.45% of all eligible PTP participants.

	Current PTP Enrollments	Deferred April 30 th	Deferred as a % of Enrollment	Deferred as % of Total Billable Accounts*	Value of Deferred taxes (\$) **
Monthly Plan	7,217	112	1.45%	0.27%	\$693,000
Installment Plan	1,609	35	1.43%	0.06%	\$407,000
Total	8,826	147	1.45%	0.32%	\$1,100,000

* The Town of Milton has 39,458 billable properties in total.

** Includes Town, Region and Educational shares.

Owners paying through alternate methods such as cheque, online banking and mortgage institutions, were also provided the extension to June 30, 2020 in which to remit their April 30th tax installment without incurring penalties.

As of April 30, the Town has received 86.62% of the Interim levy which is slightly lower than the collection rate of 91.08% at the same time in 2019.



The Corporation of the Town of Milton

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Tax Year	Total Billable Properties	Properties with Arrears as of May 01	Interim Tax Levy*	Current Year Collections as of May 01*	Current Year Past Due * \$	Current Year % Paid
2020	39,458	8,520	\$101,923,099	\$ 88,289,229	\$ 13,633,870	86.6%
2019	38,303	6,416	\$ 96,091,620	\$ 87,515,950	\$ 8,575,670	91.1%
2018	37,248	6,267	\$ 91,241,847	\$ 84,518,887	\$ 6,722,960	92.6%

* Includes Town, Region and Educational shares.

THE CORPORATION OF THE TOWN OF MILTON

BY-LAW NO. XXX-2020

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 2020 AND TO PROVIDE FOR THE MAILING OF NOTICES DEMANDING PAYMENT OF TAXES FOR THE YEAR 2020

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 2020 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 \$208,571,585 is required to be raised for the lawful purpose of the Corporation of the Town of Milton for the year 2020 which estimates are made up as follows:

1. Town of Milton
 - General Municipal Services \$ 68,886,916
2. Region of Halton
 - General Regional Services \$ 73,913,362
 - Enhanced Regional Services – leaf/Yard pickup (Urban) \$ 335,571
3. Downtown Business Improvement Area \$ 230,633
4. Education \$ 65,205,103

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	25,781,344,990
2. Region of Halton	
• General Regional Services	25,781,344,990
• Enhanced Regional Services–leaf/yard services (Urban)	22,699,439,190
3. Downtown Business Improvement Area	78,003,700
4. Education	25,781,344,990

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 2020 Interim tax levies, shall be shown as a reduction on the final tax levy;
3. **AND THAT** the 2020 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 31st day of August, 2020 and the second one being the 30th day of October, 2020. The 2020 Interim due dates were February 28th 2020 and April 30th, 2020;
5. **AND THAT** the 2020 final due dates for the Pre-Authorized Tax Payment Program be established as follows:

Monthly Pre Authorized Plan: June 30, 2020; July 31, 2020; August 31, 2020; September 30, 2020; October 30, 2020.

Due Date Pre Authorized Plan: August 31, 2020; October 30, 2020

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

PASSED IN OPEN COUNCIL ON May 25, 2020.

Gordon A. Krantz

Mayor

Troy McHarg

Town Clerk

Schedule "A"
By-law No. XXX-2020
2020 Tax Rates

Description	General Municipal	General Regional	Regional Enhanced Waste	Education	Tax Rate	Tax Rate with Enhanced Waste
Residential/Farm	0.00248124	0.00266229	0.00001349	0.00153000	0.00667353	0.00668702
Multi-Residential	0.00496248	0.00532458	0.00002698	0.00153000	0.01181706	0.01184404
New Multi-Residential	0.00248124	0.00266229	0.00001349	0.00153000	0.00667353	0.00668702
Commercial	0.00361393	0.00387763	0.00001965	0.00770552	0.01519708	0.01521673
Commercial Vacant Units, Excess Land	0.00361393	0.00387763	0.00001965	0.00770552	0.01519708	0.01521673
Commercial Occupied Small-Scale On-Farm	0.00090348	0.00096941	0.00000491	0.00245000	0.00432289	0.00432780
Land Awaiting Development	0.00186093	0.00199672	0.00001012	0.00114750	0.00500515	0.00501527
Industrial	0.00518753	0.00556605	0.00002820	0.01098184	0.02173542	0.02176362
Industrial Vacant Units, Excess Land	0.00518753	0.00556605	0.00002820	0.01098184	0.02173542	0.02176362
Industrial New Construction	0.00518753	0.00556605	0.00002820	0.0098000	0.02055358	0.02058178
Industrial New Construction Vacant/Excess	0.00518753	0.00556605	0.00002820	0.0098000	0.02055358	0.02058178
Pipelines	0.00263433	0.00282655	0.00001432	0.0098000	0.01526089	0.01527521
Farmlands	0.00049625	0.00053246	0.00000270	0.0003825	0.00141121	0.00141390
Managed Forests	0.00062031	0.00066557	0.00000337	0.0003825	0.00166838	0.00167176
Downtown Business Improvement Area	BIA Area 1	BIA Area 2	BIA Area 3			
Commercial	0.00415404	0.00249242	0.00166162			
Commercial Vacant Units, Excess Land	0.00415404	0.00249242	0.00166162			
Industrial	0.00596282	0.00357769	0.00238513			
Industrial Vacant Units, Excess Land	0.00596282	0.00357769	0.00238513			

Appendix B
 Schedule "B"
 By-law No. XXX-2020
 Returned Assessment for 2020 Taxation

Description	2020 Assessment
Residential/Farm	21,316,997,506
Multi-Residential	151,888,700
New Multi-Residential	12,530,800
Commercial	2,865,030,294
Commercial Small-Scale On-Farm Business	90,300
Commercial Vacant Units, Excess Land	109,717,219
Land Awaiting Development	16,348,000
Industrial	394,539,285
Industrial Vacant Units, Excess Land	257,199,500
Industrial New Construction	100,900,200
Industrial New Construction Vacant/Excess	2,746,500
Pipelines	107,554,000
Farmlands	403,464,286
Managed Forests	42,338,400
Total Assessment	25,781,344,990



Report To:	Regional Chair and Members of Regional Council
From:	Cyndy Winslow, Commissioner, Finance & Regional Treasurer
Date:	March 25, 2020
Report No. - Re:	FN-12-20 - 2020 Tax Policy

RECOMMENDATION

1. THAT the following tax ratios be adopted for the 2020 taxation year:

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

2. THAT the 2020 taxation rates for Regional services as set out in Attachment #1 to Report No. FN-12-20 re: "2020 Tax Policy" be adopted.

3. THAT the 2020 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-12-20.

4. THAT the optional Small-Scale On-Farm Business Subclasses for commercial and industrial properties be adopted.

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 as set out in By-law No. 20-16, as amended;
 - 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 By-Law No. 50-19 and 51-19 passed under Sections 6 and 6.1 of the *Assessment Act* for a period coinciding with the current term of Council.
6. THAT the Interim Regional Property Tax Levy By-Law No. 95-19 "An Interim Regional Property Tax Requisition For the Year 2020" be amended as set out in Report No. FN-12-20 to modify the due date for payment to May 31, 2020.
 7. THAT the Director of Legal Services be authorized to prepare all necessary by-laws to establish the aforesaid 2020 taxation rates, taxation policies, due date changes and property tax relief programs.
 8. THAT the Regional Clerk forward a copy of Report No. FN-12-20 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 "2020 Current Value Assessment (CVA) and Tax Policy Reference Manual" is provided under separate cover to this report.
- The combined total assessment change for the 2020 taxation year is 7.43% which is comprised of the net in-year assessment growth of 1.75% and the valuation phase-in increase of 5.58%.
- The Region's tax impact, including Police is 2.0%.
- Since 2018, the capping program has been funded from deferred revenue.

- In Report No. FN-18-19 re: “2019 Tax Policy”, Regional Council approved the removal of the vacant and excess land subclasses property tax discounts for the 2020 taxation year, redirecting the resulting benefit to the industrial property class. As part of 2020 Tax Policy, the industrial tax ratio is recommended to be lowered from 2.3599 to 2.0907.
- Regional staff recommend the adoption of the new optional small-scale on-farm business subclasses for the commercial and industrial property classes, which will allow the municipal tax rate to be reduced by 75% for the first \$50,000 of assessment related to qualifying activities.
- In response to COVID-19 in Halton, Local municipalities are considering relaxing the interest and penalties on late property tax payments for the second interim billing due in April for a period of time. To aid the Locals’ cash flows as they collect late property tax payments, Regional staff recommend to extend the payment due date from April 30, 2020 to May 31, 2020.

Background

The purpose of this report is to provide Regional Council with recommendations regarding property taxation for 2020 and to obtain approval for the 2020 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 “2020 Current Value Assessment (CVA) and Tax Policy Reference Manual” to assist members of Regional Council and the public in understanding assessment and property tax in Ontario, and specifically in Halton Region. This manual is also available to the public through Halton’s 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 2020 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 2020 taxation year is 7.43%, which is the change in the weighted taxable assessment from the tax roll used for the 2019 taxation year to the tax roll used for the 2020 taxation year.

Taxable Weighted Assessment						
Class	2019 Tax Year	2019 Year End	% Change for In-Year Growth	2020 Tax Year	% Change related to Phase In Valuation	Total % Change
Residential	\$ 116,304,936,545	\$ 118,934,296,659	2.26%	\$ 125,703,374,574	5.69%	8.08%
Multi-Residential	6,053,260,054	5,981,614,838	-1.18%	6,404,545,800	7.07%	5.80%
New Multi-Residential	40,684,150	101,065,845	148.42%	107,108,700	5.98%	163.27%
Commercial	23,612,670,794	23,928,248,644	1.34%	25,285,843,407	5.67%	7.09%
Industrial	7,189,326,198	6,958,253,771	-3.21%	7,112,364,980	2.21%	-1.07%
Pipe Line	310,411,749	309,276,278	-0.37%	318,240,328	2.90%	2.52%
Farm	199,124,336	191,294,690	-3.93%	203,160,227	6.20%	2.03%
Managed Forests	14,069,580	14,015,519	-0.38%	15,252,301	8.82%	8.41%
Total	\$ 153,724,483,408	\$ 156,418,066,244	1.75%	\$ 165,149,890,317	5.58%	7.43%

Taxable Weighted Assessment						
Municipality	2019 Tax Year	2019 Year End	% Change for In-Year Growth	2020 Tax Year	% Change related to Phase In Valuation	Total % Change
Burlington	\$ 48,245,635,899	\$ 48,763,210,686	1.07%	\$ 51,528,399,576	5.67%	6.80%
Halton Hills	14,126,563,741	14,479,187,581	2.50%	15,237,201,855	5.24%	7.86%
Milton	25,638,645,003	26,276,327,890	2.49%	27,763,071,312	5.66%	8.29%
Oakville	65,713,638,764	66,899,340,087	1.80%	70,621,217,574	5.56%	7.47%
Total	\$ 153,724,483,408	\$ 156,418,066,244	1.75%	\$ 165,149,890,317	5.58%	7.43%

Notes: The % change columns in both tables do not total 7.43% due to the use of different bases in each calculation

The 2020 Tax Year weighted assessment includes the recommended tax policy changes of adopting the small-scale on-farm business subclasses as well as reducing the industrial tax ratio

Of the 7.43% increase, 1.75% relates to the net in-year growth in assessment in 2019 and 5.58% relates to the valuation change resulting from the final year phase-in of MPAC's 2016 reassessment.

The net in-year assessment growth of 1.75% for 2019 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 2020 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 final year of the four-year phase-in cycle results in an overall average valuation increase of 5.58%.

2020 Regional Levy Requirement

Regional Council approved the net Regional levy requirement of \$438,989,113 through Report No. FN-45-19 re: "2020 Budget and Business Plan and Disposition of the 2019 Surplus", including the transfer to the Tax Stabilization reserve to reflect the assessment increase from 1.70% to 1.75%, as shown in the following table.

	2020 Budget	2020 Levy
Assessment Growth	1.70%	1.75%
Tax Increase	2.00%	2.00%
Net Levy Requirement	\$438,768,200	\$438,989,113

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 2020 tax ratios except for the industrial tax ratio, as shown in the following table. As discussed in Report No. FN-18-19, the industrial tax ratio will be reduced to absorb the benefit generated from removing the discounts in the vacant and excess land subclasses. The industrial tax ratio is proposed to be reduced from 2.3599 to 2.0907.

Property Class	Ranges of Fairness O. Reg. 386/98)	Halton Region Tax Ratios		Threshold Ratios O. Reg. 73/03)
		2019	2020	
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	2.0907	2.6300
Pipe Line	0.60 - 0.70	1.0617	1.0617	
Farm	0.0 - 0.25**	0.2000	0.2000	
Managed Forests	0.25***	0.2500	0.2500	
Landfill	0.60 - 1.10	1.4565	1.4565	25.0000

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

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

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

****The change in industrial tax ratio represents Regional staff's recommendation for 2020 Tax Policy, which is scheduled for Regional Council's approval on April 22, 2020

2020 Tax Rate

The table below shows the 2020 final tax rates calculated based on the assessment changes, 2020 levy requirements, and the tax ratios as discussed above. The blended Regional residential urban tax rate is 0.00266262, representing the 2.0% tax increase.

2020 Regional Residential Tax Rates***		
Regional Services	2020 Levy	Residential Tax Rate *
General	\$ 249,339,548	0.00150978
Police	161,974,623	0.00098077
Waste Management		
Burlington	9,539,150	0.00018569
Halton Hills	2,867,619	0.00025100
Milton	5,103,595	0.00018523
Oakville	10,164,578	0.00014393
Total **	\$ 438,989,113	0.00266262

Schedule may not add due to rounding

Residential tax rate for urban properties

Total Tax Rate based on combined Waste Mgmt rate

*** The 2020 Regional Residential Tax Rates include the recommended tax policy changes of adopting the small-scale on-farm business subclasses as well as reducing the industrial tax ratio

There are three components to the Regional Levy: Regional General Services, Police Services and Waste Management Services. Regional General Services, including recycling and organics, and Police Services 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 2020 for all property classes.

The Region has received the final Education tax rates for 2020 from the Ministry of Finance through O. Reg 6/20, as outlined in the following table.

Final Education Rates	
Property Class	2020 Tax Year
Residential	0.00153000
Multi-Residential	0.00153000
New Multi-Residential	0.00153000
Commercial	0.00770552
Commercial - Small-Scale On-Farm Business	0.00245000
Industrial	0.01098184
Industrial - New Construction	0.00980000
Industrial - Small-Scale On-Farm Business	0.00245000
Pipe Line	0.00980000
Farm	0.00038250
Managed Forests	0.00038250
Landfill	0.00864766

2020 Tax Impact

The Region's tax increase for 2020 is 2.0%. 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					
2020 Taxes	Combined				Regional Tax Only
	Burlington	Halton Hills	Milton	Oakville	
Regional Services:					
General & Waste Management	\$ 169.55	\$ 176.08	\$ 169.50	\$ 165.37	\$ 168.18
Police	98.08	98.08	98.08	98.08	98.08
Sub-total	\$ 267.62	\$ 274.16	\$ 267.58	\$ 263.45	\$ 266.26
Local Municipal Services:					
General	333.92	349.29	248.12	293.52	
Hospital	6.02	2.20	-	-	
Education	153.00	153.00	153.00	153.00	
Total	\$ 760.56	\$ 778.65	\$ 668.70	\$ 709.97	\$ 266.26
2019 Taxes	Burlington	Halton Hills	Milton	Oakville	Regional Tax Only
Regional Services:					
General & Waste Management	\$ 166.91	\$ 173.44	\$ 166.32	\$ 162.54	\$ 165.37
Police	95.73	95.73	95.73	95.73	95.73
Sub-total	\$ 262.64	\$ 269.17	\$ 262.05	\$ 258.27	\$ 261.10
Local Municipal Services:					
General	320.81	338.72	234.80	284.91	
Hospital	6.08	2.25	-	-	
Education	153.00	153.00	153.00	153.00	
Total	\$ 742.53	\$ 763.15	\$ 649.85	\$ 696.18	\$ 261.10
Dollar Impact of Total Taxes	\$ 18.03	\$ 15.50	\$ 18.85	\$ 13.79	\$ 5.16
Percentage Impact of Total Taxes	2.4%	2.0%	2.9%	2.0%	2.0%

Schedule may not add due to rounding

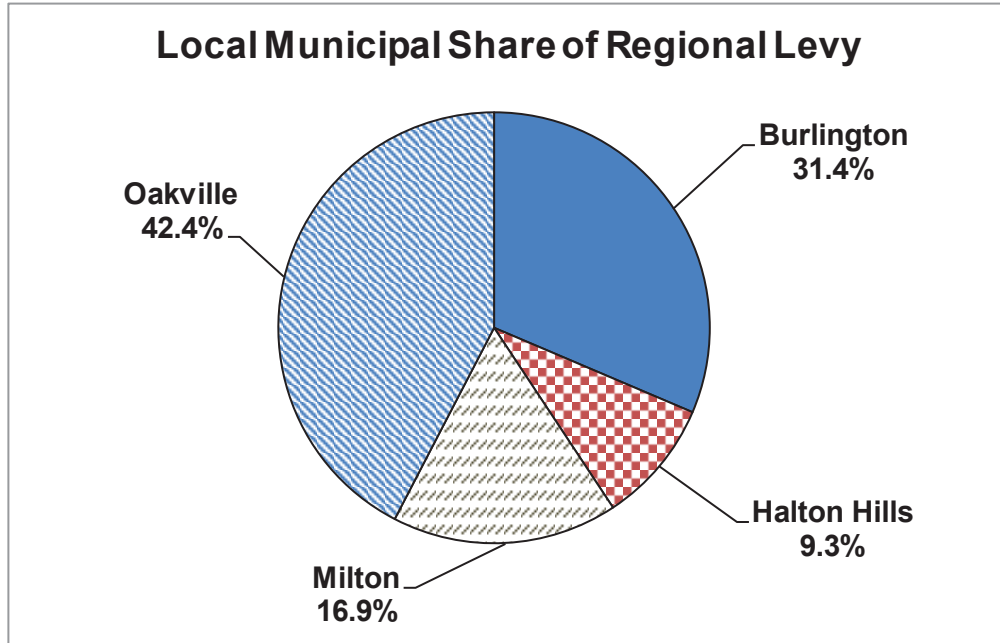
The Residential Tax Impacts include the recommended tax policy changes of adopting the small-scale on-farm business subclasses as well as reducing the industrial tax ratio

2020 Tax Allocation

The following table sets out the percentage breakdown of the final 2020 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	35.2%	35.2%	40.0%	37.1%
Local	44.7%	45.1%	37.1%	41.3%
Education	20.1%	19.6%	22.9%	21.6%
	100.0%	100.0%	100.0%	100.0%

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



Provincial Capping Program

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, other than a lower-tier municipality, 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 2020 taxation year are set out in Attachment #2 to this report. The following is a summary of the capping program by property class.

Property Class	2019		2020	
	# of Properties	Cost of Program	# of Properties	Cost of Program
Commercial	7	16,683	4	2,588
Industrial	5	\$ 26,012	3	\$ 3,734
Total	12	\$ 42,695	3	\$ 6,322

The number of properties capped in 2020 compared to 2019 has declined from 7 to 4 in the commercial class and from 5 to 3 in the industrial class.

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 options to adjust the Vacancy Rebate and Reduction programs and implement 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

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 was completely phased out as of the 2019 taxation year.

Vacant and Excess Land Subclasses Property Tax Discount

In 2018 and 2019, as outlined in Report No. FN-18-19, staff undertook a review of the vacant and excess land subclasses property tax discount, which provides a tax reduction of 30% to commercial and 35% to industrial properties with vacant or excess land. Through Report No. FN-18-19, Regional Council approved that the current property tax reduction (discount) provided for the vacant and excess land subclasses be removed for the 2020 taxation year and the resulting benefit be directed to reduce the industrial tax ratio in 2020. On November 22, 2019, the Ministry of Finance amended O. Reg. 580/17 providing the Region with authorization to proceed with the removal of these discounts in the 2020 taxation year.

The resulting benefit from the removal of the discounts estimated in Report No. FN-18-19 was \$10.3 million. This amount included both a municipal (Regional and Local) component as well as an Education component. The Education component, representing approximately 50% of the \$10.3 million, was included as part of the benefit based on the assumption that the Province would permit the same treatment of education rates for vacant and excess land subclasses as the tax policy approved by the municipality.

On April 9, 2019, the Province issued their 2019 property tax decisions, indicating that the discounts on the education rates for the vacant and excess land subclasses would be completely phased out as of 2020, regardless of the municipality's decision to retain or remove the discounts. Due to this announcement, the Education component of the benefit has already been absorbed in the tax base, with vacant and excess land property owners experiencing an impact to their education taxes in 2019, and once again in 2020. Therefore, the benefit from the removal of the discounts in 2020 is \$5.0 million, and only consists of Regional and Local components.

This benefit translates to a reduction in the industrial tax ratio from 2.3599 to 2.0907. The following table outlines the resulting tax shifts.

Industrial Tax Ratio Adjustment				
	Levy @ Status Quo	Levy w/ Revised Ratio	Shift \$	Shift %
Industrial	64,304,971	59,271,455	5,033,516)	-7.8276%
Farm	1,525,451	1,524,704	747)	-0.0490%
Managed Forest	105,415	105,345	70)	-0.0668%
Pipeline	4,706,546	4,706,540	6	-0.0001%
Subtotal	70,642,384	65,608,044	5,034,340)	-7.1265%
Industrial Vac/Ex	14,957,092	18,330,895	3,373,803	22.5565%
Commercial Vac/Ex	8,626,128	10,208,279	1,582,151	18.3414%
Residential	908,982,935	909,014,217	31,282	0.0034%
Multi-Residential	42,342,473	42,366,654	24,181	0.0571%
Commercial	268,278,325	268,300,891	22,566	0.0084%
New Multi-Residential	786,219	786,577	358	0.0455%
Subtotal	1,243,973,173	1,249,007,513	5,034,340	0.4047%
Total	1,314,615,557	1,314,615,557	-	0.0000%

Schedule may not add due to rounding

The residential class is slightly affected by a tax impact of approximately 0.0034%. This translates to an increase of \$0.14 for a typical residential property with a CVA of \$500,000.

Small-Scale Value-Added and Commercial Activities on Farms

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

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

The maximum assessment within the subclass is \$50,000. If the Region were to adopt these subclasses, the assessment within the subclass would receive a 75% reduction in the municipal tax rate. In order for these optional subclasses to apply, Regional Council must pass a by-law that adopts either both the commercial and industrial subclasses or the industrial subclass only (commercial cannot be adopted on its own).

In Report No. FN-18-19, Regional staff committed to reviewing the impact of adopting the subclasses during 2019 and provide a recommendation for the 2020 Tax Policy report. As part of the review, staff identified that adopting the subclasses would align with aspects of both the Region's Official Plan as well as the 2019 to 2022 Strategic Business Plan:

- Section 101 (4)(h) of the Region's Official Plan pertaining to the Agricultural System and Agricultural Area states that it is the Region's policy to *Recognize, encourage, protect and support Halton's farmers and agricultural operations and to this end...Support a farm-fresh produce network that promotes direct sales of farm produce and related products to residents, local businesses and visitors.*
- As part of the Environmental Sustainability and Climate Change theme of the 2019 to 2022 Strategic Business Plan, the objective to *Protect the agricultural areas and the natural heritage system* is met through the action to *Support value-added uses on farms.*

Within Halton Region, there are currently 12 properties that qualify for these subclasses within the commercial property class. The Region currently has no industrial properties with these subclasses. Adopting the subclasses would result in minimal tax shifts to other property classes, as shown in the following table. For example, the residential property class would experience an increase in tax levy burden of 0.0001%. Therefore, to align with the policies outlined in the Region's Official Plan and 2019 to 2022 Strategic Business Plan and recognizing the insignificant impact to property classes, Regional staff recommend to adopt these subclasses.

Small-Scale On-Farm Business Subclasses Adoption

	Levy @ Status Quo	Levy w/ Adoption	Shift \$	Shift %
Residential	\$ 908,982,935	\$ 908,984,107	\$ 1,172	0.0001%
Multi-Residential	42,342,473	42,342,520	\$ 47	0.0001%
New Multi-Residential	786,219	786,220	\$ 1	0.0001%
Commercial	276,901,794	276,902,028	\$ 233	0.0001%
Commercial - Small Scale	2,659	1,122	\$ 1,537)	-57.8037%
Industrial	79,262,063	79,262,139	\$ 76	0.0001%
Pipeline	4,706,546	4,706,550	\$ 3	0.0001%
Farm	1,525,451	1,525,455	\$ 4	0.0003%
Managed Forest	105,415	105,416	\$ 0	0.0002%
Total	\$ 1,314,615,557	\$ 1,314,615,557	\$ -	0.0000%

Schedule may not add due to rounding

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.

The Regional cost of the charity rebate program in 2019 was \$160,600.

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 for the 2020 taxation year.

Older Adults Property Tax Deferral Programs

Deferral of Property Tax Increase

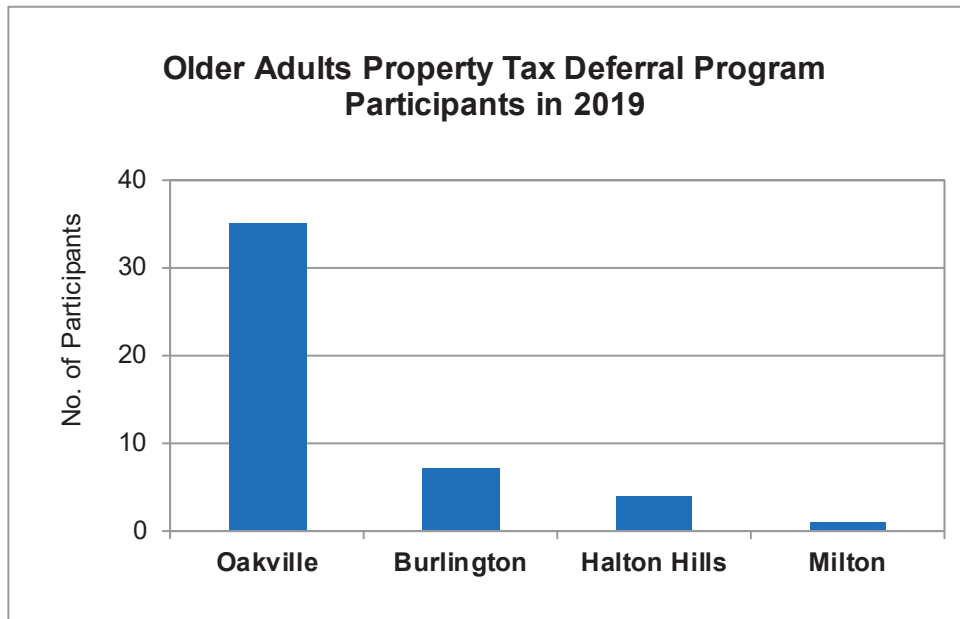
A mandatory tax relief program for low income older adults and disabled homeowners was introduced as part of the 1998 property tax reform under s. 319 of the *Municipal Act, 2001*. The eligibility criteria for this program are established by upper-tier municipalities and are administered by the local 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 the 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 2019, a total of 47 households participated in the program Region-wide as shown below at a cost of \$103,600.



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 2020, Regional staff recommend that Council continue the existing program.

Local Tax Rebate for Low Income Older Adults

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

Halton Region has 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 \$30,370 in 2019.

The Regional cost of the older adults rebate program in 2019 was \$151,600.

Staff recommends that the Region continue to cost-share in the local rebate programs for low income older adults for the 2020 taxation year.

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. The Regional cost of the Heritage Property Tax Rebate programs in 2019 was \$49,000.

For 2020, 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

Staff recommends that the Region continue to provide a reduction or refund of the Regional portion of property taxes for eligible Heritage Property in the same proportion as that provided for by local municipalities for the 2020 taxation year.

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 therefore previous Regional by-laws exempting the Legion from property taxes are no longer required as of the 2019 taxation year.

The Navy League of Canada and Halton Naval Veterans Association 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. Through by-laws no. 50-19 and 51-19, Regional Council approved municipal tax exemptions for these associations. Both by-laws expire at the end of 2022.

COVID-19

Regional and Local staff have been reviewing mechanisms to provide relief to taxpayers in response to COVID-19 in Halton. Local Municipalities will be maintaining their April bill due dates, but are considering relaxing interest and penalties on late payments for a period of time, which will impact their cash flow. Report No. FN-40-19 – “Interim Regional Property Tax Requisition for 2020”, set the due date for the second installment of the 2020 interim Regional property tax levy at April 30, 2020. Regional staff recommend to extend the payment due date from April 30, 2020 to May 31, 2020, and therefore have proposed an amendment to By-Law No. 95-19 “An Interim Regional Property Tax Requisition For the Year 2020” to modify the due date for payment to May 31, 2020. Though delayed payments would have an impact on the Region’s ability to maximize interest earnings, Regional staff have assessed that the impact would be minimal.

FINANCIAL/PROGRAM IMPLICATIONS

The financial impacts of this report are in accordance with the Region's 2020 Budget and Business Plan.

Respectfully submitted,



Debbie Symons
Acting Director, Budgets and Tax Policy



Cyndy Winslow
Acting Commissioner, Finance and
Regional Treasurer

Approved by



Jane MacCaskill
Chief Administrative Officer

If you have any questions on the content of this report,
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Debbie Symons

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Attachments: Attachment # 1 – 2020 Regional Tax Rates
Attachment # 2 – 2020 Capping Program for Commercial and Industrial Properties
2020 Current Value Assessment (CVA) and Tax Policy Reference Manual (Under
Separate Cover)

2020 Regional Tax Rates

Local Municipality - Burlington

	General	Police	Basic Waste	Enhanced Waste	Regional Total Urban	Regional Total Rural
1 - Residential	0.00150978	0.00098077	0.00016440	0.00002129	0.00267624	0.00265495
- farm land I	0.00113233	0.00073558	0.00012330	0.00001597	0.00200718	0.00199121
- education only	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000
2 - Multi-Residential	0.00301955	0.00196155	0.00032881	0.00004258	0.00535249	0.00530991
3 - New Multi-Residential	0.00150978	0.00098077	0.00016440	0.00002129	0.00267624	0.00265495
4 - Commercial	0.00219899	0.00142850	0.00023945	0.00003101	0.00389795	0.00386694
- excess land	0.00219899	0.00142850	0.00023945	0.00003101	0.00389795	0.00386694
- vacant land	0.00219899	0.00142850	0.00023945	0.00003101	0.00389795	0.00386694
- farm land I	0.00113233	0.00073558	0.00012330	0.00001597	0.00200718	0.00199121
- small-scale on-farm business	0.00054975	0.00035712	0.00005986	0.00000775	0.00097448	0.00096673
- new construction	0.00219899	0.00142850	0.00023945	0.00003101	0.00389795	0.00386694
- new construction excess land	0.00219899	0.00142850	0.00023945	0.00003101	0.00389795	0.00386694
- Office Building	0.00219899	0.00142850	0.00023945	0.00003101	0.00389795	0.00386694
- excess land	0.00219899	0.00142850	0.00023945	0.00003101	0.00389795	0.00386694
- new construction	0.00219899	0.00142850	0.00023945	0.00003101	0.00389795	0.00386694
- Parking Lot	0.00219899	0.00142850	0.00023945	0.00003101	0.00389795	0.00386694
- Shopping Centre	0.00219899	0.00142850	0.00023945	0.00003101	0.00389795	0.00386694
- excess land	0.00219899	0.00142850	0.00023945	0.00003101	0.00389795	0.00386694
- new construction	0.00219899	0.00142850	0.00023945	0.00003101	0.00389795	0.00386694
- new construction excess land	0.00219899	0.00142850	0.00023945	0.00003101	0.00389795	0.00386694
5 - Industrial	0.00315649	0.00205050	0.00034372	0.00004451	0.00559522	0.00555071
- excess land	0.00315649	0.00205050	0.00034372	0.00004451	0.00559522	0.00555071
- vacant land	0.00315649	0.00205050	0.00034372	0.00004451	0.00559522	0.00555071
- farm land I	0.00113233	0.00073558	0.00012330	0.00001597	0.00200718	0.00199121
- new construction	0.00315649	0.00205050	0.00034372	0.00004451	0.00559522	0.00555071
- new construction excess land	0.00315649	0.00205050	0.00034372	0.00004451	0.00559522	0.00555071
- Large Industrial	0.00315649	0.00205050	0.00034372	0.00004451	0.00559522	0.00555071
- excess land	0.00315649	0.00205050	0.00034372	0.00004451	0.00559522	0.00555071
6 - Pipe Line	0.00160293	0.00104129	0.00017455	0.00002260	0.00284137	0.00281877
7 - Farm	0.00030196	0.00019615	0.00003288	0.00000426	0.00053525	0.00053099
8 - Managed Forests	0.00037745	0.00024519	0.00004110	0.00000532	0.00066906	0.00066374

Local Municipality - Halton Hills

	General	Police	Basic Waste	Enhanced Waste	Regional Total Urban	Regional Total Rural
1 - Residential	0.00150978	0.00098077	0.00021807	0.00003293	0.00274155	0.00249055
- farm land I	0.00113233	0.00073558	0.00016355	0.00002470	0.00205616	0.00186791
2 - Multi-Residential	0.00301955	0.00196155	0.00043614	0.00006586	0.00548310	0.00498110
3 - New Multi-Residential	0.00150978	0.00098077	0.00021807	0.00003293	0.00274155	0.00249055
4 - Commercial	0.00219899	0.00142850	0.00031762	0.00004797	0.00399308	0.00362749
- excess land	0.00219899	0.00142850	0.00031762	0.00004797	0.00399308	0.00362749
- vacant land	0.00219899	0.00142850	0.00031762	0.00004797	0.00399308	0.00362749
- small-scale on-farm business	0.00054975	0.00035712	0.00007940	0.00001199	0.00099826	0.00090687
- new construction	0.00219899	0.00142850	0.00031762	0.00004797	0.00399308	0.00362749
- new construction excess land	0.00219899	0.00142850	0.00031762	0.00004797	0.00399308	0.00362749
- Office Building	0.00219899	0.00142850	0.00031762	0.00004797	0.00399308	0.00362749
- Parking Lot	0.00219899	0.00142850	0.00031762	0.00004797	0.00399308	0.00362749
- Shopping Centre	0.00219899	0.00142850	0.00031762	0.00004797	0.00399308	0.00362749
- new construction	0.00219899	0.00142850	0.00031762	0.00004797	0.00399308	0.00362749
5 - Industrial	0.00315649	0.00205050	0.00045592	0.00006885	0.00573176	0.00520699
- excess land	0.00315649	0.00205050	0.00045592	0.00006885	0.00573176	0.00520699
- vacant land	0.00315649	0.00205050	0.00045592	0.00006885	0.00573176	0.00520699
- farm land I	0.00113233	0.00073558	0.00016355	0.00002470	0.00205616	0.00186791
- new construction	0.00315649	0.00205050	0.00045592	0.00006885	0.00573176	0.00520699
- new construction excess land	0.00315649	0.00205050	0.00045592	0.00006885	0.00573176	0.00520699
- Large Industrial	0.00315649	0.00205050	0.00045592	0.00006885	0.00573176	0.00520699
- excess land	0.00315649	0.00205050	0.00045592	0.00006885	0.00573176	0.00520699
6 - Pipe Line	0.00160293	0.00104129	0.00023152	0.00003496	0.00291070	0.00264422
7 - Farm	0.00030196	0.00019615	0.00004361	0.00000659	0.00054831	0.00049811
8 - Managed Forests	0.00037745	0.00024519	0.00005452	0.00000823	0.00068539	0.00062264

Local Municipality - Milton

	General	Police	Basic Waste	Enhanced Waste	Regional Total Urban	Regional Total Rural
1 - Residential	0.00150978	0.00098077	0.00017174	0.00001349	0.00267578	0.00266229
2 - Multi-Residential	0.00301955	0.00196155	0.00034348	0.00002698	0.00535156	0.00532458
3 - New Multi-Residential	0.00150978	0.00098077	0.00017174	0.00001349	0.00267578	0.00266229
4 - Commercial	0.00219899	0.00142850	0.00025014	0.00001965	0.00389728	0.00387763
- excess land	0.00219899	0.00142850	0.00025014	0.00001965	0.00389728	0.00387763
- vacant land	0.00219899	0.00142850	0.00025014	0.00001965	0.00389728	0.00387763
- farm land I	0.00113233	0.00073558	0.00012880	0.00001012	0.00200683	0.00199671
- small-scale on-farm business	0.00054975	0.00035712	0.00006253	0.00000491	0.00097431	0.00096940
- new construction	0.00219899	0.00142850	0.00025014	0.00001965	0.00389728	0.00387763
- new construction excess land	0.00219899	0.00142850	0.00025014	0.00001965	0.00389728	0.00387763
- Office Building	0.00219899	0.00142850	0.00025014	0.00001965	0.00389728	0.00387763
- new construction	0.00219899	0.00142850	0.00025014	0.00001965	0.00389728	0.00387763
- new construction excess land	0.00219899	0.00142850	0.00025014	0.00001965	0.00389728	0.00387763
- Parking Lot	0.00219899	0.00142850	0.00025014	0.00001965	0.00389728	0.00387763
- Shopping Centre	0.00219899	0.00142850	0.00025014	0.00001965	0.00389728	0.00387763
- excess land	0.00219899	0.00142850	0.00025014	0.00001965	0.00389728	0.00387763
- new construction	0.00219899	0.00142850	0.00025014	0.00001965	0.00389728	0.00387763
- new construction excess land	0.00219899	0.00142850	0.00025014	0.00001965	0.00389728	0.00387763
5 - Industrial	0.00315649	0.00205050	0.00035906	0.00002821	0.00559426	0.00556605
- excess land	0.00315649	0.00205050	0.00035906	0.00002821	0.00559426	0.00556605
- vacant land	0.00315649	0.00205050	0.00035906	0.00002821	0.00559426	0.00556605
- farmlands I	0.00113233	0.00073558	0.00012880	0.00001012	0.00200683	0.00199671
- new construction	0.00315649	0.00205050	0.00035906	0.00002821	0.00559426	0.00556605
- Large Industrial	0.00315649	0.00205050	0.00035906	0.00002821	0.00559426	0.00556605
- excess land	0.00315649	0.00205050	0.00035906	0.00002821	0.00559426	0.00556605
- new construction	0.00315649	0.00205050	0.00035906	0.00002821	0.00559426	0.00556605
- new construction excess land	0.00315649	0.00205050	0.00035906	0.00002821	0.00559426	0.00556605
6 - Pipe Line	0.00160293	0.00104129	0.00018234	0.00001432	0.00284088	0.00282656
7 - Farm	0.00030196	0.00019615	0.00003435	0.00000270	0.00053516	0.00053246
8 - Managed Forests	0.00037745	0.00024519	0.00004293	0.00000337	0.00066894	0.00066557

Local Municipality - Oakville

	General	Police	Basic Waste	Enhanced Waste	Regional Total Urban	Regional Total Rural
1 - Residential	0.00150978	0.00098077	0.00012419	0.00001975	0.00263449	0.00263449
2 - Multi-Residential	0.00301955	0.00196155	0.00024837	0.00003949	0.00526896	0.00526896
3 - New Multi-Residential	0.00150978	0.00098077	0.00012419	0.00001975	0.00263449	0.00263449
4 - Commercial	0.00219899	0.00142850	0.00018088	0.00002876	0.00383713	0.00383713
- excess land	0.00219899	0.00142850	0.00018088	0.00002876	0.00383713	0.00383713
- vacant land	0.00219899	0.00142850	0.00018088	0.00002876	0.00383713	0.00383713
- new construction	0.00219899	0.00142850	0.00018088	0.00002876	0.00383713	0.00383713
- new construction excess land	0.00219899	0.00142850	0.00018088	0.00002876	0.00383713	0.00383713
- new construction vacant land	0.00219899	0.00142850	0.00018088	0.00002876	0.00383713	0.00383713
- Office Building	0.00219899	0.00142850	0.00018088	0.00002876	0.00383713	0.00383713
- excess land	0.00219899	0.00142850	0.00018088	0.00002876	0.00383713	0.00383713
- new construction	0.00219899	0.00142850	0.00018088	0.00002876	0.00383713	0.00383713
- new construction excess land	0.00219899	0.00142850	0.00018088	0.00002876	0.00383713	0.00383713
- Parking Lot	0.00219899	0.00142850	0.00018088	0.00002876	0.00383713	0.00383713
- Shopping Centre	0.00219899	0.00142850	0.00018088	0.00002876	0.00383713	0.00383713
- excess land	0.00219899	0.00142850	0.00018088	0.00002876	0.00383713	0.00383713
- new construction	0.00219899	0.00142850	0.00018088	0.00002876	0.00383713	0.00383713
- new construction excess land	0.00219899	0.00142850	0.00018088	0.00002876	0.00383713	0.00383713
5 - Industrial	0.00315649	0.00205050	0.00025964	0.00004128	0.00550791	0.00550791
- excess land	0.00315649	0.00205050	0.00025964	0.00004128	0.00550791	0.00550791
- vacant land	0.00315649	0.00205050	0.00025964	0.00004128	0.00550791	0.00550791
- farm land I	0.00113233	0.00073558	0.00009314	0.00001481	0.00197586	0.00197586
- new construction	0.00315649	0.00205050	0.00025964	0.00004128	0.00550791	0.00550791
- new construction excess land	0.00315649	0.00205050	0.00025964	0.00004128	0.00550791	0.00550791
- Large Industrial	0.00315649	0.00205050	0.00025964	0.00004128	0.00550791	0.00550791
- excess land	0.00315649	0.00205050	0.00025964	0.00004128	0.00550791	0.00550791
6 - Pipe Line	0.00160293	0.00104129	0.00013185	0.00002096	0.00279703	0.00279703
7 - Farm	0.00030196	0.00019615	0.00002484	0.00000395	0.00052690	0.00052690
8 - Managed Forests	0.00037745	0.00024519	0.00003105	0.00000494	0.00065863	0.00065863

Halton's Recommended Criteria for 2020 Capping Program

The capping parameters recommended for 2020 are as follows:

- 1) That all properties that were at Current Value Assessment (CVA) taxes for the 2019 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 2019 annualized tax	10%
Increase over 2019 CVA tax	10%
Dollar Threshold Clawback	\$500
Dollar Threshold Cap	\$500
Exclude Properties at CVA Taxes in 2019	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	-	\$ -	\$ -	2,181	2,181
Halton Hills	-	-	-	594	594
Milton	4	2,588)	2,588)	1,209	1,213
Oakville	-	-	-	2,244	2,244
Region of Halton	4	\$ 2,588)	\$ (2,588)	6,228	6,232

	# of Properties Capped	Cost of Capping Program	Net Position Surplus / (Shortfall)	# of Properties Excluded	Total # of Properties
Industrial Cap					
Burlington	3	\$ 3,734)	\$ (3,734)	320	323
Halton Hills	-	-	-	150	150
Milton	-	-	-	141	141
Oakville	-	-	-	276	276
Region of Halton	3	\$ 3,734)	\$ (3,734)	887	890

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.