SUBJECT: 2018 Tax Levy By-Law

TO: Mayor and Members of Council

FROM: Finance Department

Report Number: F-18-18
Wards Affected: All
File Numbers: 415-02-1
Date to Committee: April 23, 2018
Date to Council: April 23, 2018

Recommendation:

Approve the 2018 Tax Levy By-law (19-2018) for the levying of tax rates as outlined in Appendix A of report F-18-18.

Purpose:

Respond to Legislation

Background and Discussion:

On January 29, 2018, Council approved the 2018 Operating Budget for the City resulting in a net tax levy of $160,103,941.

Council will approve budgets for the Burlington Downtown Business Improvement Area and the Aldershot Village Business Improvement Area on the same agenda April 23, 2018 for which tax levies are assessed based on special 2018 tax rates.

Council approved the Downtown Parking Area for which tax levies are assessed based on special 2018 tax rates.

The Region of Halton approved their tax rates on April 18, 2018.

On February 13, 2018, the Province provided municipalities with the 2018 education tax rates.

The final 2018 tax rates are submitted to Council for approval in the form of the 2018 Tax Levy By-law.
2018 Regional Tax Policy

In accordance with the Municipal Act, tax policies are set at the regional level for all local municipalities. Region of Halton Council approved new tax policies for 2018 on April 18th which directly impact the property tax rates for 2018. Details of the 2018 Tax Policy can be found in the Region of Halton’s Finance Report (FN-12-18).

The notable tax policy change for the Region of Halton was the New Multi-residential (NT) property tax ratio. As outlined in the Region’s Report No. FN-26-17 “An Update to the 2017 Tax Policy” on April 20, 2017 the Province announced the Ontario’s Fair Housing Plan which mandated that the NT class required a transition ratio of 1.0.

City of Burlington Property Tax Impacts

Table 1, below, provides a comparison of the property taxes to be levied on an urban residential property per $100,000 of current value assessment (CVA) for 2018 with a comparison to 2017. The 2017 comparison is based on the tax ratios from the 2018 Regional Tax Policy Report which is in accordance with recent provincial legislation.

Education tax rates for 2018 have been provided by the Province through the Regulations released February 13, 2018.

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Property Taxes (per $100,000 CVA)</th>
<th>2017</th>
<th>2018</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City – General</td>
<td></td>
<td>$ 331.09</td>
<td>$ 346.04</td>
<td></td>
</tr>
<tr>
<td>City – Hospital</td>
<td></td>
<td>10.69</td>
<td>10.65</td>
<td></td>
</tr>
<tr>
<td>Subtotal City Purposes</td>
<td></td>
<td>$ 341.78</td>
<td>$ 356.69</td>
<td>4.36%</td>
</tr>
<tr>
<td>Region – General (incl. Waste Mgmt)</td>
<td></td>
<td>$ 179.74</td>
<td>$ 183.07</td>
<td></td>
</tr>
<tr>
<td>Region – Police</td>
<td></td>
<td>103.10</td>
<td>105.43</td>
<td></td>
</tr>
<tr>
<td>Subtotal Region of Halton Purposes</td>
<td></td>
<td>$ 282.84</td>
<td>$ 288.50</td>
<td>2.00%</td>
</tr>
<tr>
<td>Education Purposes</td>
<td></td>
<td>$ 169.64</td>
<td>$ 170.00</td>
<td>0.21%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$ 794.26</td>
<td>$ 815.19</td>
<td>2.64%</td>
</tr>
</tbody>
</table>
Overall the combined 2018 urban residential taxes, for Burlington residents, increased by $20.93 or 2.64% per $100,000 of CVA. Rural residential property taxes will increase by $19.16 or 2.57% per $100,000 of CVA.

The following three diagrams illustrate the sharing of the property tax bill between the City, the Region of Halton and School Boards for residential, commercial and industrial properties.

Tax impacts from the reassessment will vary by property based on the change in assessed value of the taxpayer's property relative to others. As noted in the graph below, generally, residential properties where the percentage increase in the assessed value between 2017 and 2018 was 6.33% or less will not be negatively impacted by the reassessment phase-in. Generally, if the property assessed value increased by 6.33% the property tax will increase by approximately 2.64% which is consistent with the combined City’s, Region’s, and School Boards’ tax levy increase.
Financial Matters:

The due dates for the payment of property taxes are June 20th and September 20th, 2018.

Public Engagement Matters:

A press release outlining the final 2018 tax levies and tax rates will be issued following Council approval of the 2018 Tax Levy By-law. Final tax bills will be sent in May.

The tax bill will continue to show the hospital levy as a separate line item for taxpayers’ information. The Joseph Brant Hospital tax levy begins to reduce in future years commencing in 2019 as the city’s contribution becomes fulfilled. Aligned with the Council approved City Asset Management Plan and Long Term financial plan, in 2019 the city will redirect the hospital levy reduction to fund the city’s infrastructure renewal needs to provide a predictable long-term financing plan to meet infrastructure investment requirements. Staff will continue to inform the public of this transition.
The City continues to provide an option for Burlington taxpayers to receive their property tax bills electronically via the epost service. As of April we have 1,908 taxpayers who have signed up for this service. Advertisements in the local newspaper will be placed regarding both the June and September due dates for payment of property taxes. The City also has tax payment options available to permit credit card payments through external agencies such as Plastiq and PayTM which are on-line payment platforms. These agencies charge a fee for their service.

The taxpayer information brochure will be included with the final tax bills to provide taxpayers with additional information. The City’s website has also been updated to ensure taxpayers have electronic access to general information regarding property taxes and related programs.

As a reminder the city offers a residential property tax rebate program to low income seniors under section 365 of the Municipal Act, 2001. The city provides a grant of $525 for qualified applicants. There are approximately 500 qualified applicants annually.

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**Conclusion:**

The 2018 Tax Levy By-law reflects the culmination of the budget process both at the City and Region of Halton. The resulting overall property tax rate increase, including City, Region and School Boards, for an urban residential household is 2.64%. Upon approval of the Tax Levy By-law by Council, the City will proceed to produce the tax bills and send them to the property owners with due dates in June and September.

Respectfully submitted,

Ann Marie Coulson
Manager of Planning & Taxation
905-335-7600 ext 7655

**Appendices:** (if none delete section)

A. By-law 19-2018 - A By-law to Levy Taxes for the Year 2018

**Notifications:** (After Council Decision)

Name
Mailing or e-mail address
Report Approval:

All reports are reviewed and/or approved by Department Director, Director of Finance and Director of Legal. Final approval is by the City Manager.