



**SUBJECT: 2019 Tax Levy By-law**

**TO: Mayor and Members of Council**

**FROM: Finance Department**

Report Number: F-18-19

Wards Affected: All

File Numbers: 415-02-1

Date to Committee:

Date to Council: April 23, 2019

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**Recommendation:**

Approve the 2019 Final Tax Levy By-law (25-2019) for the levying of tax rates.

**Purpose:**

Respond to legislation.

This report provides Council with the 2019 Final Tax Rates. The tax rates are derived from the property assessment values as provided by the Municipal Property Assessment Corporation (MPAC), the tax ratios established by the Region of Halton, the tax rates for education purposes as provided by the Province, and the City's 2019 Budget.

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**Background and Discussion:**

On March 25, 2019, Council approved the 2019 Operating Budget for the City resulting in a net tax levy of \$165,960,609.

Council will approve the budgets for the Burlington Downtown Business Improvement Area and the Aldershot Village Business Improvement Area on the same agenda on April 23, 2019. Council has approved the Downtown Parking area for which tax levies are assessed based on special 2019 tax rates.

The Region of Halton approved their tax rates on April 17, 2019.

On April 9, 2019, the Province provided municipalities with the 2019 education tax rates.

The 2019 Final Tax Levy By-law attached to this report, once approved by Council, will provide for a 2019 final tax levy, based on individual tax rate calculations for the upper and lower tiers as well as the Province's education tax rates.

The 2019 final tax rates are submitted to Council for approval in the form of the 2019 Final Tax Levy By-law.

### 2019 Regional Tax Policy

In accordance with the Municipal Act, tax policies are set at the regional level for all local municipalities. The Region of Halton Council approved tax policies for 2019 on April 17<sup>th</sup>. Details of the 2019 Tax Policy can be found in the Region of Halton's Finance Report (FN-18-19).

### 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 2019 with a comparison to 2018.

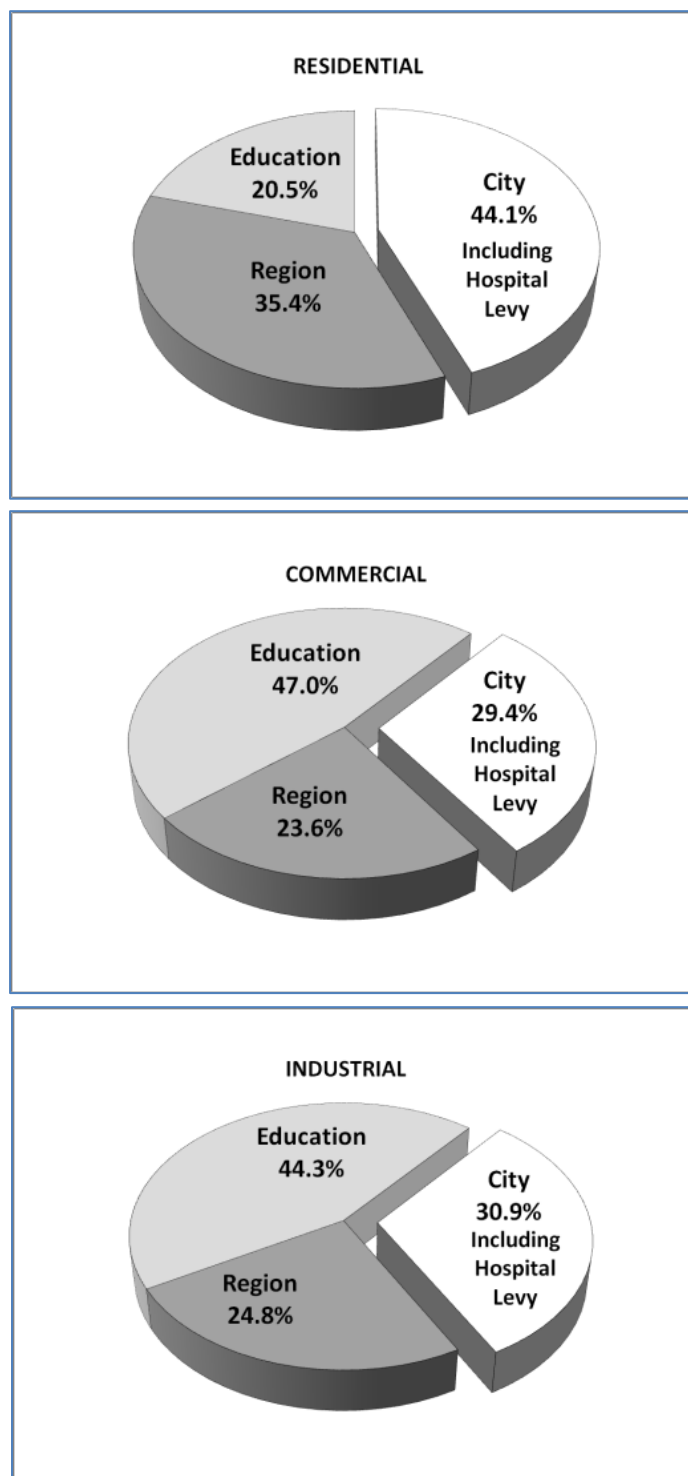
**TABLE 1      2018 & 2019 Urban Residential Property Taxes**

	Property Taxes (per \$100,000 CVA)		
	2018	2019	% Change
City – General	\$ 325.41	\$ 339.02	
City – Hospital	<u>10.01</u>	<u>6.43</u>	
Subtotal City Purposes	\$ 335.42	\$ 345.45	2.99%
Region – General (incl. Waste Mgmt)	\$ 172.75	\$ 176.24	
Region – Police	<u>99.52</u>	<u>101.08</u>	
Subtotal Region of Halton Purposes	\$ 272.27	\$ 277.32	1.85%
Education Purposes	\$ 161.00	\$ 161.00	0.00%
<b>Total</b>	<b>\$ 768.69</b>	<b>\$ 783.77</b>	<b>1.96%</b>

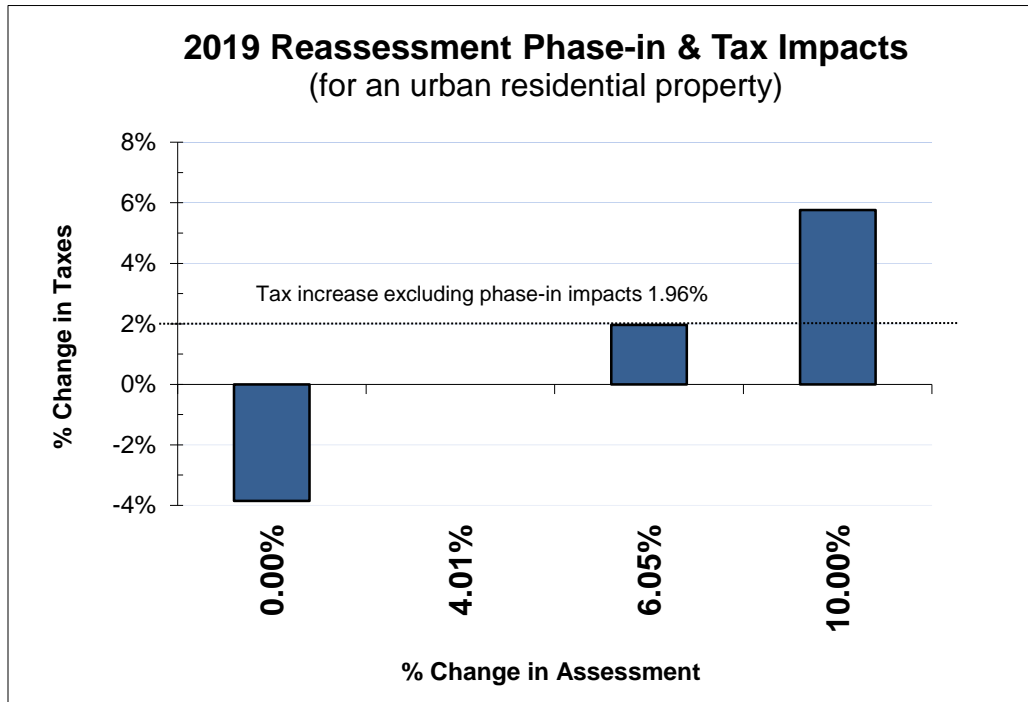
Overall the combined 2019 urban residential taxes, for Burlington residents, increased by \$15.08 or 1.96% per \$100,000 of CVA. Rural residential property taxes will increase by \$14.24 or 1.97% per \$100,000 of CVA.

At the time of writing this report, 2018 notional education tax rates which are used to make the comparison to 2019 were not yet available from the Province. For purposes of this report, the impact for the education portion is assumed to be zero.

The following three diagrams illustrate the sharing of the property tax bill between the City, the Region of Halton, and the 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 2018 and 2019 was 6.05% or less will not be negatively impacted by the reassessment phase-in. Generally, if the property assessed value increased by 6.05% the property tax will increase by approximately 1.96% which is consistent with the combined City's, Region's, and School Boards' tax levy increase.



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### Financial Matters:

The due dates for the payment of property taxes are June 20<sup>th</sup> and September 20<sup>th</sup>, 2019.

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### Public Engagement Matters:

A press release outlining the final 2019 tax levies and tax rates will be issued following Council approval of the 2019 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 was reduced commencing in 2019 which

reflects a phased reduction in the hospital tax levy as the City continues to meet their \$60 million obligation and the City's commitment gets closer to becoming fulfilled.

The City continues to provide an option for Burlington taxpayers to receive their property tax bills electronically via the epost service. As of April 11<sup>th</sup> we have 2,156 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 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 520 qualified applicants annually.

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## **Conclusion:**

The 2019 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 1.96%. 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.

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Respectfully submitted,

Ann Marie Coulson

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## **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.