



SUBJECT: F-16-20 Tax Levy By-law Report

TO: Mayor and Members of Council

FROM: Finance Department

Report Number: F-16-20

Wards Affected: All

File Numbers: 415-02-1

Date to Committee:

Date to Council: May 25, 2020

Recommendation:

Approve the 2020 Final Tax Levy By-law (31-2020) for the levying of tax rates.

PURPOSE:

This report provides Council with the 2020 Final Tax Rates as required by legislation. The tax rates are derived from the property assessment values as provided by the Municipal Property Assessment Corporation (MPAC) and the tax ratios established by the Region of Halton. The tax rates for the City and the Region are based on the 2020 budget requirements, while the tax rates for education purposes are provided by the Province.

Vision to Focus Alignment:

- Increase economic prosperity and community responsive city growth
- Support sustainable infrastructure and a resilient environment
- Building more citizen engagement, community health and culture

Background and Discussion:

On December 19, 2019, Council approved the 2020 Operating Budget for the City resulting in a net tax levy of \$174,435,833.

On April 20, 2020, Council approved the budgets for the Burlington Downtown Business Improvement Area and the Aldershot Village Business Improvement Area. Council has

approved the Downtown Parking area for which tax levies are assessed based on special 2020 tax rates.

The Region of Halton approved their tax rates on March 25, 2020.

On January 20, 2020, the Province provided municipalities with the 2020 education tax rates by filing Ontario Regulation 6/20.

The 2020 Final Tax Levy By-law attached to this report, 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 the Province’s education tax rates.

The 2020 final tax rates are submitted to Council for approval in the form of the 2020 Final Tax Levy By-law.

2020 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 2020 on March 25th. Details of the 2020 Tax Policy can be found in the Region of Halton’s Finance Report (FN-12-20).

City of Burlington Property Tax Impacts

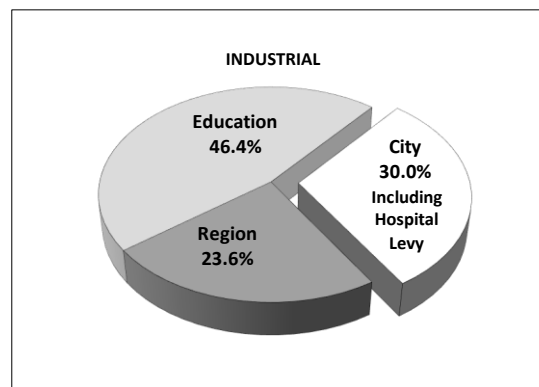
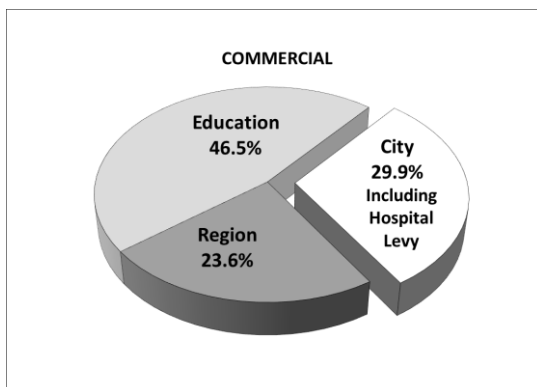
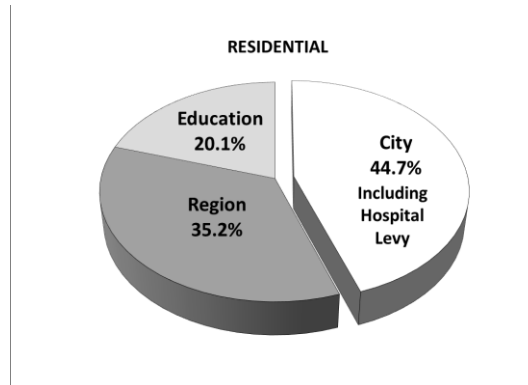
Table 1, below, provides a comparison of the property taxes to be levied on an urban residential property per \$100,000 of current value assessment (CVA) for 2020 with a comparison to 2019.

TABLE 1 2019 & 2020 Urban Residential Property Taxes

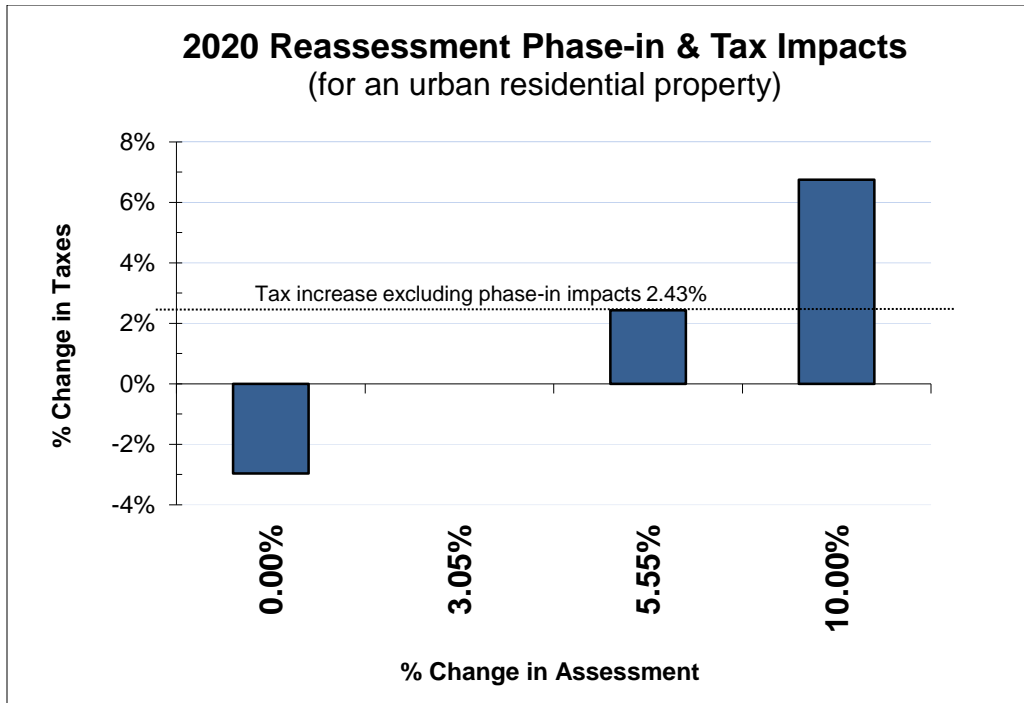
	Property Taxes (per \$100,000 CVA)		
	2019	2020	% Change
City – General	\$ 320.81	\$ 333.92	
City – Hospital	<u>6.08</u>	<u>6.02</u>	
Subtotal City Purposes	\$ 326.89	\$ 339.94	3.99%
Region – General (incl. Waste Mgmt)	\$ 166.91	\$ 169.54	
Region – Police	<u>95.73</u>	<u>98.08</u>	
Subtotal Region of Halton Purposes	\$ 262.64	\$ 267.62	1.90%
Education Purposes	\$ 153.00	\$ 153.00	0.00%
Total	\$ 742.53	\$ 760.56	2.43%

Overall the combined 2020 urban residential taxes, for Burlington residents, increased by \$18.03 or 2.43% per \$100,000 of CVA. Rural residential property taxes will increase by \$16.63 or 2.38% 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 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 2019 and 2020 was 5.55% or less will not be negatively impacted by the reassessment phase-in. Generally, if the property assessed value increased by 5.55% the property tax will increase by approximately 2.43% which is consistent with the combined City's, Region's, and School Boards' tax levy increase.



Strategy/process

All property taxes must be billed within the calendar year. Property taxes are billed twice a year, referred to as interim and final taxes. Interim tax bills were mailed in January with due dates in February and April. In response to the COVID-19 pandemic and the resulting economic impact, on April 6th Council approved temporary property tax relief which allows businesses and residents additional time to make their April interim instalment up until June 30th without incurring late payment charges.

Final tax bills are typically mailed in May with due dates in June and September. Given the current relief provided to allow the April instalment to be paid by June 30, the 2020 Final Tax Bills will be mailed out in early July with due dates of August 20th and October 20th, 2020.

In addition to delaying the final due dates we recognize that some property owners continue to experience financial hardship during these unprecedented times. Staff will work with affected property owners to discuss a payment plan option utilizing the monthly pre-authorized payment plan whereby the remaining 2020 taxes would be withdrawn over the 5 months from August to December. Businesses and residents enrolled in the monthly pre-authorized payment plans are not subject to penalty and interest charges.

Financial Matters:

Total Financial Impact

The due dates for the payment of property taxes are August 20th and October 20th, 2020.

The Region of Halton has approved changes to their final tax remittances (August and October) in addition to the Province's deferral of the education property tax remittances (September and December).

Engagement Matters:

A press release outlining the final 2020 tax levies and tax rates will be issued following Council approval of the 2020 Tax Levy By-law on May 25, 2020. Final tax bills will be sent in early July.

The City continues to provide an option for Burlington taxpayers to receive their property tax bills electronically via the epost service. As of March 31st, 2020, we have 2,331 taxpayers who have signed up for this service. Advertisements in the local newspaper will be placed regarding both the August and October 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 is updated to ensure taxpayers have electronic access to general information regarding property taxes and related programs. Information will also be posted through social media. The tax relief program will be included in the question and answer section of the COVID-19 page.

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 550 qualified applicants annually.

Conclusion:

The 2020 Tax Levy By-law reflects the culmination of the budget process both at the City and Region of Halton. The final tax levy instalment dates are delayed aligning with the adjustments provided in response to the COVID-19 pandemic.

The resulting overall property tax increase, including City, Region and School Boards, for an urban residential household is 2.43%. 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 of August 20th and October 20th.

Respectfully submitted,

Ann Marie Coulson
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Appendices:

- A. By-law 31-2020 – A By-law to Levy Taxes for the Year 2020

Report Approval:

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Council. Final approval is by the City Manager.