



SUBJECT: 2021 Tax Levy By-Law

TO: Corporate Services, Strategy, Risk & Accountability Cttee.

FROM: Finance Department

Report Number: F-16-21

Wards Affected: All

File Numbers: 415-02-1

Date to Committee: May 5, 2021

Date to Council: May 5, 2021

Recommendation:

Approve the 2021 Final Tax Levy By-Law 35-2021 for the levying of tax rates.

PURPOSE:

This report provides Council with the 2021 Final Tax Rates as required by legislation. The tax rates are derived from the property assessment values 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 2021 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 March 3, 2021, Council approved the 2021 Operating Budget for the City resulting in a net tax levy of \$182,276,388.

On March 23, 2021, 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 2021 tax rates.

The Region of Halton approved their tax rates on April 21, 2021.

On February 3, 2021, the Province provided municipalities with the 2021 education tax rates by filing Ontario Regulation 46/21.

The 2021 Final Tax Levy By-law attached to this report, once approved by Council, will provide for a 2021 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 2021 final tax rates are submitted to Council for approval in the form of the 2021 Final Tax Levy By-law.

2021 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 2021 on April 21st. Details of the 2021 Tax Policy can be found in the Region of Halton's Finance Report (FN-15-21).

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 2021 with a comparison to 2020.

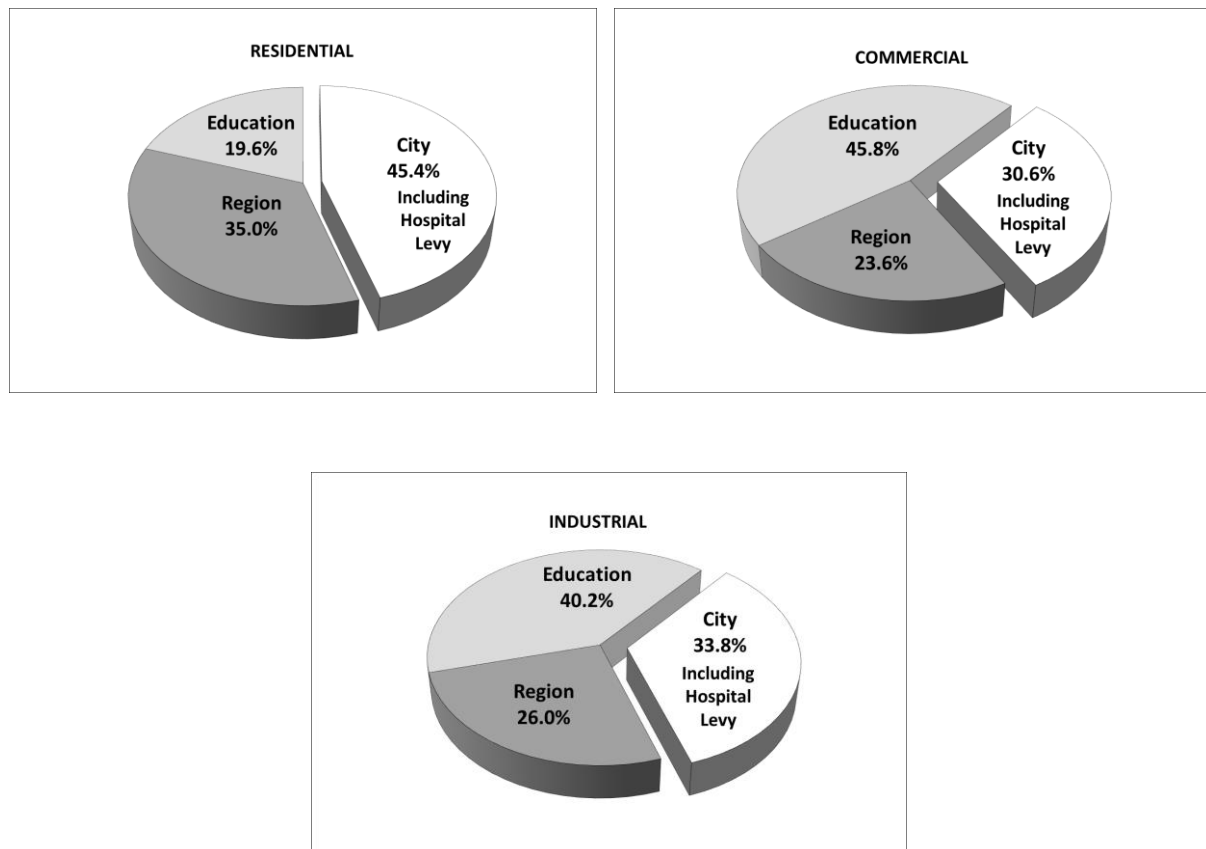
TABLE 1 2020 & 2021 Urban Residential Property Taxes

	Property Taxes (per \$100,000 CVA)		
	2020	2021	% Change
City – General	\$ 333.92	\$ 348.02	
City – Hospital	<u>6.02</u>	<u>6.00</u>	
Subtotal City Purposes	\$ 339.94	\$ 354.02	4.14%
Region – General (incl. Waste Mgmt)	\$ 169.55	\$ 171.76	
Region – Police	<u>98.08</u>	<u>100.81</u>	
Subtotal Region of Halton Purposes	\$ 267.63	\$ 272.57	1.85%
Education Purposes	\$ 153.00	\$ 153.00	0.00%
Total	\$ 760.57	\$ 779.59	2.50%

Schedule may not add due to rounding

Overall the combined 2021 urban residential taxes, for Burlington residents, increased by \$19.02 or 2.50% per \$100,000 of CVA. Rural residential property taxes will increase by \$17.23 or 2.41% 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.



Postponement of Property Reassessment

As a result of the COVID-19 pandemic, published in the *March 2020 Economic and Fiscal Update*, the Provincial government announced the postponement of the province-wide reassessment which would have updated the current value assessments (CVA) for the 2021 tax year. With this postponement, the 2021 assessment values remain unchanged from the 2020 taxation year unless a change was made to a property. Therefore, tax impacts from assessment will be zero for 2021 unless a property's assessment value changed between 2020 and 2021 due to a change to a property.

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. Final tax bills will be mailed in late May with due dates in June and September.

In response to the ongoing COVID-19 pandemic and the resulting economic impact, on March 3, 2021, Council approved a 2021 COVID-19 Property Tax Deferral Payment Plan program to provide relief to residents and businesses that continue to face financial hardship as a result of the COVID-19 pandemic.

The application-based program will allow eligible property owners who are unable to pay property taxes by the regularly scheduled tax due dates, to defer taxes under a pre-authorized payment plan. Eligible property owners may include unpaid balances from March 1, 2020 onward in the deferral plan and they may choose which month they would like to start the pre-authorized monthly payments. The options for start dates are May 1, June 1, or July 1. Equal monthly withdrawals will be made that will allow for the property taxes to be paid in full by December 1st, 2021.

Eligible residents and businesses enrolled in the COVID-19 property tax deferral payment plan will not be subject to penalty and interest charges as long as payments are made.

Financial Matters:

Total Financial Impact

The due dates for the payment of property taxes are June 22nd and September 22nd, 2021.

Engagement Matters:

A press release outlining the final 2021 tax levies and tax rates will be issued following Council approval of the 2021 Tax Levy By-law on May 5, 2021. Final tax bills will be sent in late May.

Advertisements in the local newspaper will be published regarding both the June and September due dates for payment of property taxes. The City has several tax payment options available including three regular pre-authorized payment plans, payments by cheque, payments through financial institutions, as well the City also accepts 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 COVID-19 property tax deferral payment plan 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*. For the 2021 taxation year, the rebate was increased from \$525 to \$550 for qualifying applicants. There are approximately 560 qualified applicants annually.

Conclusion:

The 2021 Tax Levy By-law reflects the culmination of the budget process both at the City and Region of Halton.

The resulting overall property tax increase, including City, Region and School Boards, for an urban residential household is 2.50%. 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 June 22nd and September 22nd.

Respectfully submitted,

Ann Marie Coulson

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Appendices:

- A. By-law 35-2021 – A By-law to Levy Taxes for the Year 2021
- B. By-law 35-2021 – Schedules

Report Approval:

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Counsel.