

## **Staff Report 2021-0084**

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Meeting Date: May 18, 2021

Subject: 2021 Property Tax Ratios

Submitted By: Hillary Bryers, Manager, Revenue, Finance / Deputy Treasurer

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### **RECOMMENDATION**

That the 2021 Property Tax Ratios as outlined in Table 1 of Staff Report 2021-0084 be approved; and

That a by-law be enacted to establish 2021 tax ratios for prescribed property classes as outlined in Table 1 of Staff Report 2021-0084.

### **REPORT HIGHLIGHTS**

- In 2016, the Municipal Property Assessment Corporation (MPAC) conducted a province-wide property re-assessment. These assessed values will be the basis of taxation for the 2017 to 2020 taxation years and, due to the COVID-19 pandemic, extended to 2021 and 2022.
- The Province will advise in the fall of 2021 when the next province-wide property re-assessment will take place.
- As the property assessments for 2021 are the same as 2020 due to the Province-wide freeze on the re-assessment, there are no proposed changes to the 2021 tax ratios from their 2020 values.
- A Province wide small business sub-class has been proposed by the Province of Ontario but has not yet been entered into regulation. This program will be examined for implementation in the 2022 tax year.

### **DISCUSSION**

#### Delegation of Tax Ratio Setting

On February 2, 2021 the Town of Caledon consented to the enactment of a Regional by-law delegating tax ratio setting from the Region of Peel to the Cities of Mississauga and Brampton and the Town of Caledon. This was done in accordance with Section 310 of the *Municipal Act, 2001*.

At the January 14, 2021 Regional Council meeting, the Region of Peel passed a by-law requesting delegation to the lower-tier municipalities the authority to establish tax ratios for 2021. This is consistent with what has occurred for the tax years 1998 to 2020. Due to the delegation for tax ratio setting, the Town of Caledon must pass a by-law confirming the 2021 tax ratios. Once the tax ratios are approved, final tax rates and tax bills for 2021 may be calculated. This process must be completed annually.

Province-wide Re-assessment

The Municipal Property Assessment Corporation (MPAC) was scheduled to conduct a province-wide re-assessment of all properties in Ontario in 2021. Due to the COVID-19 pandemic, this re-assessment has been postponed. The dates for the next re-assessment will be announced in the fall of 2021 following review by the Province. As such, the property values used for the basis of taxation in 2021 and 2022 are the same values as 2020. As such, there is no required change to the property tax ratios from their 2020 values.

Table 1: 2020 and Proposed 2021 Tax Ratios

Tax Class	2020 Town of Caledon Tax Ratio	Proposed 2021 Town of Caledon Tax Ratio
Residential	1.000000	1.000000
Managed Forest	0.250000	0.250000
Farm	0.170800	0.170800
Commercial	1.347534	1.347534
Industrial	1.591035	1.591035
Multi-Residential	1.722344	1.722344
Pipelines	1.009275	1.009275
New Multi-Residential	1.000000	1.000000
Landfill	1.233526	1.233526

A selection of comparative 2020 tax ratios for other area municipalities can be found in Table 2 below.

Table 2: Comparative 2020 Tax Ratios

	Residential	Managed Forest	Farm	Commercial	Industrial	Multi-Residential	Pipelines	New Multi-Residential	Landfill
Caledon	1.000000	0.250000	0.170800	1.347534	1.591035	1.722344	1.009275	1.000000	1.233526
Mississauga	1.000000	0.250000	0.250000	1.516977	1.615021	1.265604	1.313120	1.000000	n/a
Brampton	1.000000	0.250000	0.250000	1.297100	1.470000	1.705000	0.923900	1.000000	n/a
Halton Region	1.000000	0.250000	0.200000	1.456500	2.090700	2.000000	1.061700	1.000000	1.456500
York Region	1.000000	0.250000	0.250000	1.332100	1.643200	1.000000	0.919000	1.000000	1.100000
Durham Region	1.000000	0.250000	0.200000	1.450000	2.023500	1.866500	1.229400	1.100000	1.100000
Toronto	1.000000	0.250000	0.250000	2.700000	2.683811	2.178843	1.923563	1.000000	n/a
Hamilton	1.000000	0.250000	0.176700	1.980000	3.315300	2.487600	1.794700	1.000000	2.969600
Dufferin	1.000000	0.250000	0.220000	1.220000	2.198400	2.000000	0.842100	1.100000	1.181500

Vacant and Excess Land Subclass Reduction Program

On February 13, 2020 Regional Council resolution 2020-87 to reduce the Vacant and Excess Land Subclass Reduction Program for Commercial and Industrial property classes in the Region of Peel from 30% to 15% and to remove the Program for the 2021 taxation year and taxation years thereafter. Authorizing Ontario Regulation 352/20: Tax Matters – Vacant and Excess Land Subclasses, Tax Reductions was filed and became effective on July 7, 2020 to phase-out the vacant and excess land subclass reduction program in the Region of Peel in 2021. The amending By-law 57-20 to By-law 60-98 was enacted on September 10, 2020 by Regional Council pursuant to their authorization previously obtained. This program has now been eliminated in the Region of Peel.

Small Business Sub-Class

The Province of Ontario has announced the introduction of an optional small business sub-class that would reduce the Town and Region portions of the property tax bill. Regulations permitting the program have not been released in time for implementation in the 2021 tax year. Staff are working with the Regional tax team to determine the best course of action for consideration for adoption in the 2022 tax year.

**FINANCIAL IMPLICATIONS**

The financial implications are included in other sections of this report.

**COUNCIL WORK PLAN**

Subject matter is not relevant to the Council Workplan.

**ATTACHMENTS**

None.