

## Staff Report 2023-0143

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Meeting Date: March 7, 2023

Subject: Proposed 2023 Property Tax Ratios

Submitted By: Hillary Bryers, Acting Treasurer, Finance

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### RECOMMENDATION

That the 2023 Property Tax Ratios as outlined in Table 1 of Staff Report 2023-0143 be approved; and

That a by-law be enacted to establish 2023 tax ratios for prescribed property classes as outlined in Table 1 of Staff Report 2023-0143.

### 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 2023 taxation years.
- The Province has post-poned the 2020 province-wide re-assessment as a result of the COVID-19 pandemic and has continued to post-pone.
- As the property assessments for 2023 are the same as 2020-2022 due to the Province-wide freeze on the re-assessment, there are no proposed changes to the 2023 tax ratios from their 2020- 2022 values.

### DISCUSSION

#### Delegation of Tax Ratio Setting

On January 31, 2023 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 12, 2023 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 2023. This is consistent with what has occurred for the tax years 1998 to 2022. Due to the delegation for tax ratio setting, the Town of Caledon must pass a by-law confirming the 2023 tax ratios. Once the tax ratios are approved, final tax rates and tax bills for 2023 may be calculated. This process must be completed annually.

#### Tax Ratios

Tax ratios are used to calculate the final property tax rates for the Town and Region. The education property tax rates are set by the Province. The tax ratios determine how much of the tax burden is borne by each assessment class. A residential property always has

a tax ratio of 1.0. Farm properties are between 0-0.25 while commercial and industrial properties have other legislated rules to use in their calculation and are typically greater than the residential tax ratio. Once a province-wide re-assessment is conducted, Staff will review the tax ratios and make changes to ensure the tax burden maintains equity in its allocation between the tax classes.

#### 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 and the assessed values for 2022 and 2023 will continue to be based on an assessment date of January 1, 2016. As such, the property values used for the basis of taxation in 2021, 2022 and 2023 are the same values as 2020. As such, there is no required change to the property tax ratios from their previous values.

Table 1: 2020, 2021, 2022 and Proposed 2023 Tax Ratios

Tax Class	2020, 2021 and 2022 Town of Caledon Tax Ratio	Proposed 2023 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 2022 tax ratios for other area municipalities can be found in Table 2 below.

**Table 2: Comparative 2022 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	2.637413	2.585658	2.049891	1.923561	1.000000	n/a
Hamilton	1.000000	0.250000	0.176700	1.980000	3.198500	2.359400	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

**Next Steps:**

Staff will calculate property tax rates for the Town and Region to be presented to Council in May. Final property tax bills reflecting the new tax rates will be issued to property owners in June with installments due in July and September.

**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.