

Committee of the Whole (2) Report

DATE: Tuesday, May 10, 2022

WARD(S): ALL

**TITLE: 2022 ADOPTION OF TAX RATES AND ISSUANCE OF
PROPERTY TAX NOTICES – ALL WARDS**

FROM:

Michael Coroneos, Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer

ACTION: DECISION

Purpose

To provide the background to a By-law as required under Section 312 of the *Municipal Act, S.O. 2001*, to levy and collect property taxes for the City of Vaughan, the Regional Municipality of York and the Province of Ontario for education purposes.

Report Highlights

- The efficient and timely issuance of the final property tax levy is essential by ensuring necessary funds are levied and collected in order for the City to meet its obligations in delivering programs and services to the community. It also provides the necessary cash flow to meet the City's own needs and its financial obligations to the Region of York as well as the Province of Ontario with respect to education purposes.
- The total 2022 levy requirement for the City, including the portion for the hospital, is approximately over \$226 million, net of the portion required by the Region and the Province.
- An interim billing for PTP and regular accounts were both completed by February 2022 and will be shown as a reduction on all final tax bills.

Recommendations

1. That a by-law be enacted to adopt Municipal, Regional and Education Property Tax Rates as submitted in Attachment 1; and
2. That staff be authorized to proceed with the issuance of final property tax bills for 2022.

Background

The City property tax rates, as attached, are based on the levy requirement as per the approved 2022 operating budget and calculated utilizing the 2022 assessment roll as provided by the Municipal Property Assessment Corporation (MPAC). An interim tax levy, pursuant to City of Vaughan By-laws 146-2021 and 007-2022 respectively, was levied and completed in February 2022 and will be shown as a reduction on all final tax bills.

The Region of York has approved their By-laws (2022-08 and 2022-09) which confirm the region wide tax ratios and sets the uniform tax rates across all municipalities in the Region. In addition to existing policies for property tax capping options for business properties, the Region approved and adopted the provincial legislation that will allow a property to remain at full Current Value Assessment (CVA) tax once the property achieves full CVA tax. These policies remain in effect for the tax year 2022 and, as such, all business properties in Vaughan have achieved full CVA tax.

The Province of Ontario determines education tax rates and has passed Ontario Regulation 11/22 to prescribe the tax rates for all classes for 2022. The Province announced in 2019 that the education portion of commercial/industrial vacant and excess land tax discounts would be phased out over a two-year period. 2020 was the second year of this phase out, consequently, instead of these property classes paying education taxes at a discount of 30/35% respectively, the discount no longer exists. The Region, as the upper tier, has the option to phase-out or eliminate the discount program for the municipal portion to mirror the same change. Regional staff are in the process of evaluating options with local municipal staff for future tax years.

It is expected that residential, farm, managed forest and pipeline (uncapped classes) property tax bills will be mailed in June this year, due in three monthly instalments in July, August, or September or paid through one of the City's pre-authorized payment plans.

New this year, it is expected that all non-residential property classes will not be billed separately from the Residential billing as in the past. These bills will also be mailed out in June, due in three monthly instalments in July, August, and September or with the opportunity to pay through one of the City's pre-authorized payment plans.

The City collects property taxes on behalf of the Region of York and the York Region school boards; therefore, instalment due dates are generally set to accommodate the legislated payment dates to these other levying bodies. However, for the convenience of the ratepayers, approximately one month between each instalment is given. Due dates are generally the same day of each month except where weekends or holidays interfere.

Previous Reports/Authority

[Extract from the Council meeting of June 22, 2021 \(Item 2, Report No. 32 of the Committee of the Whole\)](#)

[By-law 077-2021](#)

[Communication C54, Item 2, Report No. 32 of the Committee of the Whole](#)

Analysis and Options

The City's budgetary requirement is \$226,872,720 (\$219,783,837 + \$7,088,883 for hospital) levied on just over \$109 billion in assessment. The 2022 levy requirements for Municipal, Regional, and Educational purposes are shown below:

	2022	
City of Vaughan	\$219,783,837	23.61%
Region of York	\$393,236,421	42.23%
Education-Province of Ontario	\$318,087,779	34.16%
Total	\$931,108,037	100.00%

Tax Ratios

The Region of York has the authority to change tax ratios to offset re-assessment tax shifts among the property classes according to tax policy requirements within provincial legislation. Changing the tax ratios assists in maintaining the relative tax burden among the classes thereby providing greater taxpayer equity. For 2022, however, the Province continued its mandate that property assessments used for the 2020 taxation year are to remain in place for 2022. As a result, any new revenue neutral tax ratios are not available for municipalities to adopt. This being the case, York Region will maintain the same tax ratios as approved in 2021 and this will allow York Region municipalities to retain the approximately the same distribution of taxes between property classes that existed in the 2021 taxation year. This is a hybrid model in that there is no change to the ratios for Pipelines, Farm and Managed Forest as they remain at Status Quo (same as the 2021 tax year).

The 2022 property tax ratios are as follows:

Property Class	2022 Tax Ratio	Ranges of Fairness
Residential	1.000000	1.0000
Multi-Residential	1.000000	1.0 to 1.1
Commercial	1.332100	0.6 to 1.1
Industrial	1.643200	0.6 to 1.1
Pipelines	0.919000	0.6 to 0.7
Farm	0.250000	0.2500
Managed Forest	0.250000	0.2500

The tax rates shown in Attachment 1, have been established using the above noted levies, tax ratios and the final assessment roll as returned for 2022.

Vaughan Healthcare Centre Precinct Development Levy

The Government of Ontario requires local communities to support the development of hospitals in their community. In 2009, Council approved a funding option towards the Vaughan Hospital Precinct Development Plan which is to be raised through a dedicated property tax rate. Approximately \$7,088,883 will be collected on the 2022 final property tax bill. This total continues to exclude the amount collected on payment-in-lieu and supplemental accounts. This contribution does not form part of the City's operations and as such will be shown separately as a Special Charge on individual property tax bills. This equates to approximately \$55 for the average home in Vaughan.

Financial Impact

The total 2022 levy requirement for the City, including the portion for the hospital, is approx. \$226,872,720 net of the portion required by the Region and Province. An interim billing was completed in February 2022 and will be shown as a reduction on the final tax bill.

Broader Regional Impacts/Considerations

The City of Vaughan will be collecting approx. \$393,236,421 in property taxes on behalf of the Region of York.

Conclusion

A by-law enacted to adopt the Municipal, Regional and Provincial (education) tax rates and levies for 2022 will permit staff to proceed with the issuance of the final property tax bills. The issuance of the final property tax levy supports the strategic priorities established by the Service Excellence Strategy Map, in particular to ensure "Financial Sustainability".

For more information, please contact:

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Attachment

1. 2022 Property Tax Rates

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