

Date: 2022-04-20

Subject: **2022 Final Tax Levy and By-law**

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Report Number: Corporate Support Services-2022-379

Recommendations:

1. THAT the report titled: **2022 Final Tax Levy and By-law** to the Committee of Council Meeting of May 11, 2022 be received; and,
2. THAT a By-law be passed for the levy and collection of 2022 Final Realty Taxes.

Overview:

- **An annual By-law is required for the Final Levy and Collection of Realty Taxes. This report details the background for the 2022 tax year.**
- **Due to the COVID-19 pandemic, the Province suspended the province-wide re-assessment scheduled to apply for the 2021-2024 taxation years.**
- **Property assessments from the Municipal Property Assessment Corporation (MPAC) continue to be based on a valuation date of January 1, 2016 for 2022 property taxation.**

Background:

To provide for the levy and collection of annual realty taxes, a By-law is required each year. The rates set out in the attached schedules for the City and Region are based on 2022 budget requirements while the Education rates are set by the Province through an Ontario Regulation. Taxes are based on the current value assessments (CVA) as provided by the Municipal Property Assessment Corporation (MPAC). In 2016, MPAC undertook a re-assessment updating CVA to reflect the market as of a January 1, 2016

valuation date. Due to the COVID-19 pandemic in 2020, the Province suspended the province-wide re-assessment scheduled to apply for the 2021-2024 taxation years. The values used for the 2022 tax year will be the same as those from 2017- 2021 unless there had been changes to the property causing MPAC to revise the assessment value.

Current Situation:

The attached Schedule “A” itemizes the total amount to be levied in each tax class for City, Region and Education purposes based on the tax rates as listed.

The tax rates indicated in the schedule will generate the total 2022 levy of **\$1,236,202,538** from all the various property classes, allocated as follows:

City	\$499,364,199	40.40%
Region	\$447,964,413	36.24%
Education	\$288,873,926	23.37%

a) 2022 Property Taxes

The overall levy for 2022 will be distributed as follows:

1. Residential (includes pipeline, farm, managed forest)

City	\$388,405,711
Region	\$348,426,877
Education	\$137,797,156

2. Commercial / Industrial / Multi-Residential (“capped” property classes)

<i>Property Class</i>	<i>City</i>	<i>Region</i>	<i>Education</i>
Commercial	\$77,013,572	\$69,086,556	\$119,746,920
Industrial	\$20,820,028	\$18,677,036	\$28,628,564
Multi-Residential	\$13,124,888	\$11,773,944	\$2,701,286
<i>TOTAL</i>	\$110,958,488	\$99,537,536	\$151,076,770

b) William Osler Health System - Peel Memorial Hospital Levy

On April 6, Council passed a Motion CW156-2022 that amended the 2022 budget to include an additional 1% tax levy of \$4,944,200 per year to help fund the local share portion of William Osler’s expansion of Peel Memorial Hospital and Cancer Care Centre, in addition to supporting future healthcare pressures. These funds are to be held in Reserve #126 – Pledge to Peel Memorial and will be disbursed based on

agreements between the City of Brampton and William Osler Health System. On an average home assessed at \$539,000, the amount of \$23.29 on the city portion of the tax bill will be allocated to this reserve. Details of the dedicated tax levy for the hospital will be included with the 2022 tax bill.

b) Downtown Brampton Business Improvement Area

The Tax Levy By-law has been prepared to include a special charge for the Downtown Brampton Business Improvement Area, pursuant to Section 208(2) of the *Municipal Act, 2001*, to be levied against the business classes of property in the improvement area defined in By-law 276-88. The total 2022 levy requirement approved by the BIA board and City Council is \$334,627. The 2022 tax rate will be 0.225100%.

c) New Construction Tax Rates

For 2022 taxation, the province continues the target maximum rate of 0.88%, same as the 2021 target level. The residential education rate remains unchanged from 2021 as the property assessment values for the 2022 taxation year will continue to be based on the same valuation date that was in effect for the 2021 taxation year. As announced in the 2020 Budget, the Province has reduced the tax rate for businesses to 0.88 percent for 2021 in all municipalities where the 2020 rate was higher than 0.88 percent, this continues for 2022. Since the assessment values continue to be based on the same valuation date that was in effect for the 2021 taxation year, there is no shift in education taxes normally relating to the phase-in of assessment increases. Where a municipality's Business Education Tax (BET) rate is already below 0.88%, the lower education tax rate would continue for existing and newly constructed properties.

The BET rate in Brampton for the commercial and industrial property classes in the 2022 taxation year is 0.88%. This uniform tax rate will benefit the business properties and will create annual savings for the commercial and industrial businesses.

In order to qualify for the New Construction BET rate, the following criteria must be met:

- Application for the first building permit must be received by the municipality after March 22, 2007
- Construction must be for either a commercial or industrial property
- For additions or renovations to existing properties, the new construction must increase the current value assessment (CVA) of the property by a minimum of 50%.

The New Construction BET rate takes effect once construction is completed, eligibility requirements are met and the new construction commences to be used. Where the municipality's BET rate for the class is below 0.88%, the lower BET rate is to be used for New Construction properties in that class.

The new classes mirror the existing definitions for the commercial and industrial property classes but only apply to new construction. The New Construction property classes are:

- New Construction Commercial
- New Construction Shopping Centre
- New Construction Office Building
- New Construction Industrial
- New Construction Large Industrial

The attached Schedule A includes any New Construction tax classifications assessed on the 2021 for 2022 assessment roll. The attached Schedule "B" details the tax rates for all New Construction classes that may be subject to supplementary or omitted assessments in the future.

d) Tax Bill Production and Mailing

2022 Final tax bills will again be produced in the standardized format as required by the Province of Ontario. For residential and other non-capped classes, tax bills will be mailed by mid-June with due dates of July 20th, August 24th, and September 21st 2022. The tax bills for the Commercial, Industrial, and Multi-Residential (capped classes) will be mailed by mid-July with due dates of August 24th, September 21st and October 19th 2022. Preauthorized tax accounts (PTP) will have the additional option of payment dates on the 1st or the 15th, or the next business day in the event of a weekend or a statutory holiday, for a maximum of the six (6) months of July through December.

On November 24th, 2021 Council adopted the application-based 2022 Tax Payment Deferral Program. The program defers the property tax due dates from the normal schedule to one due date of December 15th, 2022 for interim and final taxes for eligible applicants. Property owners would still be able to make periodic payments against the balance of taxes owing depending on their own financial situation. These periodic payments would then reduce the total balance due. A due date of December 15th, 2022 for final billing allows time for payments to be applied to the account prior to the processing of the legislated year-end statements for any tax accounts with an outstanding balance as of December 31st annually.

In accordance with Section 355 of the *Municipal Act*, the municipality may pass a by-law providing that where the total final tax levy to be imposed on a property would be less than the tax amount specified by the municipality, the amount of actual taxes payable shall be zero. Therefore it is recommended that where the total final levy taxes to be imposed on a property would be less than twenty-five (25) dollars, the amount of actual taxes shall be zero.

Corporate Implications:

Financial Implications:

The approval of this report and By-law is essential to support the budget requirements of the City, Region of Peel, and the Province for education. A brochure will accompany the bills with information concerning the 2022 City Budget and the various payment options. In addition, the City will place an advertisement in local media advising residents of the instalment due dates for the 2022 final billing.

Other Implications:

N/A

Term of Council Priorities:

This report fulfils the Council Priority of a Well-Run City through strict adherence to effective financial management policies and supports Brampton's 2040 Vision by ensuring sustainable financial revenues.

Conclusion:

This tax levy By-law supports the 2022 budget requirements as previously set by Council. The levy amounts for the Region of Peel and the Education portion are as directed by Regional By-law 21-2022, Ontario Regulation 11/22 and Section 257.12(5) of the *Education Act*. The accompanying tax rates described in Schedule "A" and Schedule "B" will be utilized for all tax bill calculations and tax adjustments pertaining to the 2022 tax year.

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Submitted by:

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Attachments:

Schedule A – 2022 Tax Rates and Levy

Schedule B – 2022 New Construction Tax Rates

By-law – 2022 Final Tax Levy