

**Date:** 2023-04-09

**Subject:** **2023 Final Tax Levy and By-Law**

**Contact:** **Martin Finnegan, Senior Manager, Revenue**

**Report Number:** Corporate Support Services-2023-343

**Recommendations:**

1. That the report titled: **2023 Final Tax Levy and By-law** to the Committee of Council meeting May 10, 2023, be received; and
2. That a By-law be approved for the levy and collection of 2023 Final Property Taxes.

**Overview:**

- **An annual By-law is required for the Final Levy and Collection of Property Taxes. This report details the background for 2023 tax year.**

**Background:**

To provide for the levy and collection of annual property taxes, a By-law is required each year. The rates set out in the attached Schedule A for the City and Region are based on 2023 approved Budget requirements set by respective Councils 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 planned province-wide re-assessment. The values used for the 2023 tax year will be the same as 2022 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 2023 levy of **\$1,315,185,354** from all the various property classes, allocated as follows:

<b>City</b>	\$540,649,783	41.11%
<b>Region</b>	\$482,845,542	36.71%
<b>Education</b>	\$291,690,029	22.18%

**a) 2023 Property Taxes**

The overall levy for 2023 will be distributed as follows:

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

<b>City</b>	\$420,394,886
<b>Region</b>	\$375,447,831
<b>Education</b>	\$138,998,539

**2. Commercial / Industrial / Multi-Residential (property classes)**

<b><i>Property Class</i></b>	<b><i>City</i></b>	<b><i>Region</i></b>	<b><i>Education</i></b>
<b>Commercial</b>	\$83,969,394	\$74,991,730	\$121,684,086
<b>Industrial</b>	\$22,063,840	\$19,704,856	\$28,279,447
<b>Multi-Residential</b>	\$14,221,663	\$12,701,125	\$2,727,957
<b><i>TOTAL</i></b>	<b>\$120,254,897</b>	<b>\$107,397,711</b>	<b>\$152,691,490</b>

**b) William Osler Health System Peel Memorial Hospital Levy**

Council approved the 2023 budget to include a continuation of the tax levy of \$4,944,200 to support 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 (not market valued) at \$542,000, approximately \$23.21 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 2023 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 2023 levy requirement is \$333,386. The 2023 tax rate will be 0.225100%.

**c) New Construction Tax Rates**

Ontario Regulation 315/08 was filed on September 11, 2008 creating the "New Construction" classes to facilitate announced Business Education Tax (BET) rate reductions. For 2021 taxation, the province had reduced the target maximum BET rate to 0.88% and that rate remained in place for 2022 taxation. Similarly, The BET rate in Brampton for the commercial and industrial property classes in the 2023 taxation year is again set at 0.88% by the Province.

As a result of the reduction in high BET rates to 0.88% in 2021, the rates on New Construction property classes became equal to the main business classes. To streamline the administration of the property tax system, properties in these classes have been reclassified by MPAC to their respective main property classes for the 2023 tax year. Therefore, there are no assessment values in the new construction property classes for 2023 taxation.

The residential education rate of 0.153% remains unchanged from 2022 as the property assessment values for the 2023 taxation year will continue to be based on the same valuation date that was in effect for the 2022 taxation year. Since the assessment values continue to be based on the same valuation date, there is no shift in education taxes normally related to the phase-in of re-assessment increases.

#### **d) Tax Bill Production and Mailing**

2023 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 19<sup>th</sup>, August 23<sup>rd</sup>, and September 20<sup>th</sup> 2023. The tax bills for the Commercial, Industrial, and Multi-Residential (capped classes) will be mailed by mid-July with due dates of August 23<sup>rd</sup>, September 20<sup>th</sup> and October 18<sup>th</sup> 2023. Preauthorized tax payment accounts (PTP) will have the additional option of payment dates on the 1<sup>st</sup> or the 15<sup>th</sup>, 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.

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 2023 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 2023 final billing.

#### **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 2023 budget requirements as previously approved by Council. The levy amounts for the Region of Peel and the Education portion are as directed by Regional By-law 16-2023, Ontario Regulation 576/22 and Section 257.12(5) of the *Education Act*. The accompanying tax rates described in Schedule “A” will be utilized for all tax bill calculations and tax adjustments pertaining to the 2023 tax year.

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Approved by:

Submitted by:

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Rick Conard, (Acting) Commissioner,  
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**Appendices:**

Schedule A – 2023 Tax Rates and Levy  
By-law – 2023 Final Tax Levy