

BYLAW 20706 - 2024 PROPERTY TAX AND SUPPLEMENTARY PROPERTY TAX BYLAW

Recommendation

That Bylaw 20706 be given the appropriate readings.

Purpose

To establish the 2024 property tax rates for each of the assessment classes and subclasses in order to raise revenue for the payment of budgeted municipal expenditures and the provincial education tax requisition.

Readings

Bylaw 20706 is ready for three readings.

A majority vote of City Council on all three readings is required for passage.

In addition to setting the rates for municipal purposes, this bylaw also establishes the rates for provincial education taxes. If Council wishes to give three readings during a single meeting, then prior to moving third reading, Council must unanimously agree “That Bylaw 20706 be considered for third reading.”

Three readings are required by April 30, 2024, at the latest, to meet production deadlines and mail tax notices on May 24, 2024.

Report Summary

The attached bylaw, required annually by section 353 of the *Municipal Government Act*, establishes the municipal tax rates for the 2024 property and supplementary property tax levies, payment-in-lieu levies, and the provincial education tax requisition. The bylaw reflects the final 2024 budget, as decided by City Council’s consideration of the April 23, 2024, Financial and Corporate Services report, FCS02361 Spring 2024 Supplemental Operating Budget Adjustment.

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This will allow the City to levy the 2024 municipal property tax and property tax payments-in-lieu totaling \$2.124 billion, including revenue attributable to real property growth prior to a reduction of approximately \$16.8 million in payments in lieu of taxes, that the province has indicated they will not remit.

REPORT

Bylaw 20706 sets the property rates for each of the assessment classes and subclasses necessary to generate the municipal property tax levy approved in the City's 2024 budget, including real property growth and the provincial education tax.

Pursuant to the Residential Assessment Supplementary Assessment Sub-Class Bylaw 19519 as amended in October 2023, the residential assessment class has been divided into three sub-classes for municipal tax purposes; Residential, Other Residential and Mature Area Derelict Residential.

The Mature Area Derelict Residential subclass (new for 2024) was created to address the harmful impact that derelict and problem residential properties can have on neighbourhoods and municipal finances. Derelict properties often pose additional costs to the City, and additional revenue from a higher tax rate will help cover these costs while encouraging property owners to clean up derelict houses and reduce their burden on City services. Following passage of these bylaws, properties considered to be Derelict Residential will be taxed at a rate equivalent to the non-residential tax rate of 0.0226627.

Beginning in 2024, the Other Residential subclass is being phased out over the next five years. The Other Residential subclass (comprising properties with four or more dwelling units on a single title) previously paid a 15 per cent higher tax rate than residential properties, such as single detached houses. Following passage of these bylaws, this premium will decrease to 12 per cent. The premium will continue to decrease by three per cent each year between 2025-2027, until it is eliminated in 2028. In 2024, this shift results in an increased tax impact to Residential properties of approximately 0.4 per cent and a decreased tax impact to Other Residential properties of approximately 2.5 per cent.

Budget/Financial Implications

The passage of this bylaw will allow the City to levy the 2024 municipal property tax and property tax payments-in-lieu totaling \$2.124 billion, including revenue attributable to real property growth and prior to an estimated reduction of \$16.8 million for payments in lieu of taxes that the provincial government has indicated it will not remit.

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Attachments

1. Bylaw 20706
2. Impacts of 2024 Municipal Tax Rates

Others Reviewing the Report

- C. Taylor, Acting Chief People Officer and City Solicitor