

BYLAW 21068

2025 PROPERTY TAX AND SUPPLEMENTARY PROPERTY TAX BYLAW

Recommendation

That Bylaw 21068 be given the appropriate readings.

Purpose

To establish the 2025 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 21068 is ready for three readings.

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

If Council wishes to give three readings during a single meeting, then prior to moving third reading, Council must unanimously agree “That Bylaw 21068 be considered for third reading.”

These readings are required by April 30, 2025, at the latest, to meet production deadlines and mail tax notices on May 23, 2025.

Report Summary

The attached bylaw, required annually by section 353 of the *Municipal Government Act*, establishes the municipal tax rates for the 2025 property and supplementary property tax levies, payment-in-lieu levies, and the provincial education tax requisition. The bylaw reflects the final 2025 budget, as decided by City Council’s approval of the April 22, 2025, Financial and Corporate Services report, FCS02845 2025 Municipal Tax Levy Confirmation.

This will allow the City to levy the 2025 municipal property tax and property tax payments-in-lieu totaling \$2.297 billion, including revenue attributable to real property growth prior to an estimated reduction of approximately \$8.2 million for payments in lieu of taxes that the provincial

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government has indicated they will not remit due to their stated intent of paying grants in place of taxes (GIPOT) at 75 per cent of the levied amount.

REPORT

Bylaw 21068 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 2025 budget, including real property growth and the provincial education tax.

Pursuant to Bylaw 19519 - Residential Assessment Supplementary Assessment Subclass Bylaw, 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 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 0.0242229.

Beginning in 2024, the Other Residential subclass continues to be 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 decreased to 12 per cent in 2024 and nine per cent in 2025. The premium will continue to decrease by three per cent each year between 2026-2027, until it is eliminated in 2028. In 2025, this shift results in an increased tax impact to Residential properties of approximately 0.3 per cent and a decreased tax impact to Other Residential properties of approximately 2.4 per cent.

Community Insight

The tax rates specified in the annual tax rate bylaw reflect the revenue requirements determined by the annual budget finalized on April 22, 2025. The October 31, 2022, Communications and Engagement report CE01489 Budget 2023-2026 Community Insights, provided details on the engagement Administration conducted to inform the four year budget. Additional public engagement was conducted with respect to the phase-out of the Other Residential tax subclass, as detailed in the February 22, 2023, Financial and Corporate Services report FCS01153 Residential Subclasses and 'Other Residential' Phase-out.

Budget/Financial Implications

The passage of this bylaw will allow the City to levy the 2025 municipal property tax and property tax payments-in-lieu totaling \$2.297 billion, including revenue attributable to real property growth prior to an estimated reduction of \$8.2 million for payments in lieu of taxes that the

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provincial government has indicated they will not remit due to their stated intent of paying grants in place of taxes (GIPOT) at 75 per cent of the levied amount.

Attachments

1. Bylaw 21068
2. Impacts of 2025 Municipal Tax Rates

Others Reviewing the Report

- M. Gunther, Acting City Solicitor