

BYLAW 21442

2026 PROPERTY TAX AND SUPPLEMENTARY PROPERTY TAX BYLAW

Recommendation

That Bylaw 21442 be given appropriate readings.

Purpose

To establish the 2026 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 21442 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 21442 be considered for third reading.”

These readings are required by April 28, 2026, at the latest, to meet production deadlines and mail tax notices on May 25, 2026.

REPORT

Bylaw 21442 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 2026 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.

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Derelict properties often pose additional costs to the City, and additional revenue from a higher tax rate helps 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 municipal rate equivalent to the non-residential tax rate of 0.0252216. Education tax rates remain unchanged.

Beginning in 2024, the Other Residential subclass continues to be phased out. 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 six per cent in 2026. The premium will decrease to three per cent in 2027 and will be fully eliminated in 2028. In 2026, 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 2.5 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 17, 2026. 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 2026 municipal property tax and property tax payments-in-lieu totaling \$2.509 billion, including revenue attributable to real property growth. There is no expected reduction for payments in lieu of taxes, as the provincial government has indicated their intent to return to paying grants in place of taxes (GIPOT) at 100 per cent of the levied amount.

ATTACHMENTS

1. Bylaw 21442
2. Impacts of 2026 Municipal Tax Rates

Others Reviewing the Report

- M. Gunther, Acting City Solicitor