

Clause 8 in Report No. 5 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on March 24, 2016.

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2016 Property Tax Rates

Committee of the Whole recommends adoption of the following recommendations contained in the report dated February 22, 2016 from the Commissioner of Finance:

1. The broad property class tax rates for 2016 be established as follows:

<b>Broad Property Class</b>	<b>2016 Tax Rates %</b>
Residential/Farm	0.397157
Multi-Residential	0.397157
Commercial	0.443704
Industrial	0.521229
Pipeline	0.364987
Farmland	0.099289
Managed Forests	0.099289

2. The local municipalities pay the final two instalments of the 2016 regional property tax levy on or before September 30, 2016 and December 15, 2016.
3. Council approve a bylaw to give effect to these recommendations.
4. The Regional Clerk circulate the report to the local municipalities.

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Report dated February 22, 2016 from the Commissioner of Finance now follows:

## 2016 Property Tax Rates

### 1. Recommendations

It is recommended that:

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Residential/Farm	0.397157
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2. The local municipalities pay the final two instalments of the 2016 regional property tax levy on or before September 30, 2016 and December 15, 2016.
3. Council approve a bylaw to give effect to these recommendations.
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### 2. Purpose

It is necessary to establish tax rates for the various property classes so that the tax levy component of the 2016 Regional Budget can be raised.

### 3. Background

A tax rate bylaw is required annually

Section 311(2) of the *Municipal Act, 2001* (the Act) requires that an upper-tier municipality pass a tax rating bylaw each year, unless otherwise specified by the

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Province, that sets out the tax rates for each property class that would raise sufficient revenues to meet its budgetary requirements.

### 4. Analysis and Options

2016 tax rates are determined by the approved budget requirements, assessment values and tax ratios

Regional tax rates are calculated based on the tax levy requirement divided by the weighted property assessment from all property classes.

The 2016 approved budget requires a property tax levy requirement of \$980,809,000.

Weighted property assessment is the assessment returned by the Municipal Property Assessment Corporation (MPAC) for 2016 and is weighted by Council-approved tax ratios for 2016. Table 1 summarizes the 2016 approved tax ratios and the 2016 proposed tax rates.

**Table 1**  
**2016 Approved Tax Ratios and 2016 Proposed Tax Rates**

<b>Property Class</b>	<b>Approved 2016 Ratios</b>	<b>Proposed 2016 Tax Rates %</b>
Residential	1.0000	0.397157
Multi-Residential	1.0000	0.397157
Commercial	1.1172	0.443704
Industrial	1.3124	0.521229
Pipelines	0.9190	0.364987
Farmland	0.2500	0.099289
Managed Forests	0.2500	0.099289

In addition, the Minister of Finance has prescribed discounted tax rates for certain property subclasses, to ensure that the special nature of these properties is recognized. Table 2 is a list of these subclasses:

**Table 2**  
**Prescribed Subclass Discounts for Property Classes**

<b>Applicable Property Class</b>	<b>Subclass</b>	<b>Discount</b>
Residential, Multi-Residential, Commercial and Industrial	Farmland Awaiting Development 1	75% of the residential tax rate
Commercial and Industrial	Excess Land	30% of the commercial rate and 35% of the industrial rate
Commercial and Industrial	Vacant Land	30% of the commercial rate and 35% of the industrial rate

Table 3 shows the distribution of Regional revenues by the various property classes and subclasses. The table includes linear properties for which the Province has prescribed a charge per acre. It also includes payments-in-lieu, which are payments made to compensate a municipality for some or all of the tax revenues that are foregone from tax-exempt properties. The most common payments-in-lieu in York Region are for federally-owned properties such as Canada Post, municipal utilities and crown corporations.

**Table 3**  
**2016 Proposed Regional Revenues and Tax Rates by Class for Illustration**

<b>Property Assessment Class and Subclass</b>	<b>Tax Rates (%)</b>	<b>Revenue Generated (\$)</b>
Residential	0.397157	796,767,279
Residential Taxable (Shared as Payment in Lieu)	0.397157	48,009
Residential – Farmland Awaiting Development Phase 1	0.099289	32,537
Multi-Residential	0.397157	8,090,456
Commercial Occupied	0.443704	77,100,339
Commercial Excess Land	0.310593	1,631,623
Commercial Vacant Land	0.310593	2,837,503
Commercial – Farmland Awaiting Development Phase 1	0.099289	44,785
Commercial (previously Ontario Hydro)	0.443704	124,250
Commercial Vacant Land (Shared	0.310593	23,391

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<b>Property Assessment Class and Subclass</b>	<b>Tax Rates (%)</b>	<b>Revenue Generated (\$)</b>
as Payment in Lieu)		
Commercial Excess Land (Shared as Payment in Lieu)	0.310593	1,935
Office Building	0.443704	9,819,299
Office Building Vacant Units and Excess Land	0.310593	112,233
Shopping Centre	0.443704	22,907,434
Shopping Centre Vacant Units and Excess Land	0.310593	119,997
New Commercial (Occupied)	0.443704	13,449,333
Commercial Excess Land (New Construction)	0.310593	319,988
Office Building Occupied (New Construction)	0.443704	1,249,230
Office Building Excess Land (New Construction)	0.310593	36,181
Shopping Centre (New Construction)	0.443704	3,063,313
Shopping Centre Excess Land (New Construction)	0.310593	90,050
Parking Lot (Full)	0.443704	291,984
Industrial Occupied	0.521229	24,410,639
Industrial Excess Land	0.338799	180,125
Industrial Vacant Land	0.338799	3,353,711
Industrial Farmland Awaiting Development Phase 1	0.099289	77,655
Industrial (previous Ontario Hydro)	0.521229	351,737
Industrial Vacant Land (Shared as Payment in Lieu)	0.338799	644
Industrial Excess Land (previously Ontario Hydro)	0.338799	117,670
Industrial Occupied (New Construction)	0.521229	1,600,435
Industrial (New Construction)	0.521229	18,780
Industrial Excess Land (New Construction)	0.338799	1,203

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<b>Property Assessment Class and Subclass</b>	<b>Tax Rates (%)</b>	<b>Revenue Generated (\$)</b>
Industrial Vacant Land (New Construction)	0.338799	26,887
New Large Industrial Occupied	0.521229	82,797
Large Industrial	0.521229	5,437,342
Large Industrial Vacant Units and Excess Land	0.338799	48,792
Pipeline	0.364987	1,035,327
Farmlands	0.099289	1,403,532
Managed Forest	0.099289	55,910
Railway Right-Of-Way (Estimated)	*	588,448
Utility Transmission (Estimated)	*	1,042,817
Sub-Total (Estimated)		<b>977,995,600</b>
Payment-in-Lieu	N/A	2,813,400
<b>Total 2016 Regional Tax Requirement</b>		<b>980,809,000</b>

\* Tax rates for linear properties have been prescribed by the Minister of Finance (Railways: \$611.33 per acre and Utilities: \$834.02 per acre)

### Link to key Council-approved plans

By collecting the 2016 final tax levy, the Region is able to maintain continuity of operations and the delivery of programs and services that are deemed a priority in the 2015 to 2019 Strategic Plan.

## 5. Financial Implications

Tax rates are declining because property assessment values are growing faster than the Region's tax levy needs

Table 4 shows the historical relationship between the increases in average single-family detached assessment in York Region and tax rates for the residential property class. In all cases, the tax rates decrease because the value of the assessment base of the property class increased more than the property tax funding requirement.

**Table 4**  
**Comparison of Residential Assessment to Residential Tax Rates**

	<b>Average Single-Family Detached Assessment</b>	<b>Tax Rates (%)</b>
2010	471,000	0.477021
2011	493,000	0.463520
2012	516,000	0.452889
2013	553,000	0.434762
2014	591,000	0.416733
2015	629,000	0.406421
2016	667,714	0.397157

## 6. Local Municipal Impact

Subsection 311(11) of the Act requires that an upper-tier tax rating bylaw estimate the amount of upper-tier tax revenue to be raised in each of the local municipalities. The estimate is shown in Table 5.

**Table 5**  
**2016 Regional Tax Revenue to be Raised by Local Municipalities**

<b>Municipality</b>	<b>2015 Tax Requirement (\$)</b>	<b>2015 Share (%)</b>	<b>2016 Tax Requirement (\$)</b>	<b>2016 Share (%)</b>
Aurora	43,548,610	4.66	46,276,637	4.73
East Gwillimbury	17,602,262	1.88	18,002,104	1.84
Georgina	23,728,786	2.54	24,352,370	2.49
King	25,440,798	2.72	27,428,140	2.76
Markham	266,014,282	28.46	280,519,490	28.68
Newmarket	55,207,011	5.90	56,973,099	5.83
Richmond Hill	165,830,747	17.74	174,170,359	17.81

## 2016 Property Tax Rates

<b>Municipality</b>	<b>2015 Tax Requirement (\$)</b>	<b>2015 Share (%)</b>	<b>2016 Tax Requirement (\$)</b>	<b>2016 Share (%)</b>
Vaughan	302,119,206	32.31	313,663,198	32.07
Whitchurch-Stouffville	35,459,107	3.79	36,610,203	3.74
Sub-Total	<b>934,950,809</b>	<b>100.00</b>	<b>977,995,600</b>	<b>100.00</b>
Payments-in-Lieu	2,653,200		2,813,400	
<b>Total Tax Requirement</b>	<b>937,604,009</b>		<b>980,809,000</b>	

The Municipal Act permits upper-tiers to collect their portion of the property tax payments from local municipalities on or before specified dates

Subsection 311(12) of the Act provides that an upper-tier rating bylaw may require specified portions of the estimated taxes to be paid by the local municipalities on or before specified dates. At its meeting of January 21, 2016, Council adopted the interim levy payment dates of April 30, 2016 and June 30, 2016. It is recommended that the Regional Treasurer request that the remaining two instalments for the property tax levy be paid on or before September 30, 2016 and December 15, 2016.

### 7. Conclusion

The proposed 2016 tax rates will raise the property tax levy requirement that was approved by Council on December 17, 2015. As well, the report provides the dates for the remittance of the remaining instalment payments from local municipalities.

For more information on this report, please contact Edward Hankins, Director, Treasury Office, at extension 71644.

The Senior Management Group has reviewed this report.

February 22, 2016

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