

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 27, 2017

Item 7, Report No. 6, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on June 27, 2017.

**7 2017 ADOPTION OF TAX RATES AND THE ISSUANCE OF PROPERTY TAX NOTICES -
ALL WARDS**

The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Chief Financial Officer & City Treasurer and the Director of Financial Services/Deputy Treasurer, dated June 6, 2017:

Recommendation

The Chief Financial Officer & City Treasurer and the Director of Financial Services/Deputy Treasurer, in consultation with the Manager of Property Tax & Assessment recommend:

1. THAT a by-law be enacted for the adoption of Municipal, Regional and Education property tax rates, as submitted in Attachment 1. This by-law will allow for the levy and collection of the 2017 property tax levies and to provide for the issuance of property tax notices.

Contribution to Sustainability

The issuance of the property tax bill contributes to sustainability by ensuring necessary funds are levied and collected in order to meet the City's obligations in delivering programs and services to the community. It also ensures that the City meets its financial obligations to the Region of York and, for education purposes, the Province of Ontario.

Economic Impact

The efficient and timely issuance of the final property tax levy is essential for the City, as it provides the necessary cash flow to meet the City's own needs and its financial obligations to the Region of York and the Province of Ontario for education purposes. The total 2017 levy requirement for the City, including the portion for the hospital, is approx. \$190 million, net of the portion required by the Region and Province. An interim billing of approx. \$88 million (net of Region and education) was levied in February 2017 and will be shown as a reduction on the final tax bill.

Communications Plan

The final property tax notices for residential, farm, managed forest and pipeline will be mailed in late June and in July for commercial, industrial and multi-residential properties. Advertised notices for the final property tax notices will be posted in all local papers in late June, early July and August as well as on City's website.

Purpose

The purpose of this report is to provide the background to a by-law as required under Section 312 of the *Municipal Act 2001, S.O. 2001*, to levy and collect property taxes for the City of Vaughan, the Regional Municipality of York and the Province of Ontario for education purposes.

Background - Analysis and Options

The City property tax rates, as attached, are based on the levy requirement as per the approved 2017 operating budget and calculated utilizing the 2017 Assessment Roll as provided by the

CITY OF VAUGHAN

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Municipal Property Assessment Corporation (MPAC). An interim tax levy, pursuant to City of Vaughan By-law 002-2017, was levied in February 2017 and will be shown as a reduction on the final tax bill.

The Region of York has approved their By-law which confirms the region wide tax ratios and sets the uniform tax rates across all municipalities in the Region. In addition to existing policies for property tax capping options for business properties, the Region approved and adopted the provincial legislation that will allow a property to remain at full Current Value Assessment (CVA) tax once the property achieves full CVA tax. These properties will no longer qualify for the Capping program. These policies remain in effect for the tax year 2017.

The Province of Ontario determines education tax rates and has passed Ontario Regulation 132/17 to prescribe the tax rates for all classes for 2017.

It is expected that residential, farm, managed forest and pipeline (uncapped classes) property tax bills will be mailed in June, due in three monthly instalments or paid through one of the City's pre-authorized payment plans.

Due to the ongoing capping protection for the commercial, industrial and multi-residential property classes, these bills will be produced following the residential bills. Staff expect to be mailing the non-residential bills in July providing three instalment due dates.

The City collects property taxes on behalf of the Region of York and the School Boards, therefore instalment due dates are generally set to accommodate the legislated payment dates to these other levying bodies. However, for the convenience of the ratepayers, approximately one month between each instalment is given. Due dates are generally the same day of each month except where weekends or holidays interfere.

The City's budgetary requirement is \$189,975,219 (\$182,886,336 + \$7,088,883 for hospital) levied on just over \$83.1 billion in assessment. The 2017 levy requirements for Municipal, Regional, and Educational purposes are shown below:

	2017	
City of Vaughan	\$189,975,219	23.44%
Region of York	\$323,946,539	39.97%
Education-Province of Ontario	\$296,643,446	36.60%
Total	\$810,565,204	100.00%

Tax Ratios

The Region of York has the authority to change tax ratios to offset re-assessment tax shifts among the property classes according to tax policy requirements within provincial legislation. Changing the tax ratios assists in maintaining the relative tax burden among the classes thereby providing greater taxpayer equity. However, as specified in the Provincial Regulation, the Region can only move the ratios within or closer to the "Range of Fairness". Area Treasurers were consulted and it was recommended that the Region change the tax ratios to Revenue Neutral for the 2017 taxation year. This will allow York Region municipalities to retain the same distribution of taxes between property classes that existed in the 2016 taxation year. This will be a hybrid model in that there is no change to the ratios for Pipelines, Farm and Managed Forest, they remain at Status Quo.

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The 2017 property tax ratios are as follows:

Property Class	2017 Tax Ratio	Ranges of Fairness
Residential	1.000000	1.0000
Multi-Residential	1.000000	1.0 to 1.1
Commercial	1.181313	0.6 to 1.1
Industrial	1.416888	0.6 to 1.1
Pipelines	0.919000	0.6 to 0.7
Farm	0.250000	0.2500
Managed Forest	0.250000	0.2500

The tax rates shown on Attachment 1, have been established using the above noted levies, tax ratios and the final assessment roll as returned for 2017.

Vaughan Healthcare Centre Precinct Development Levy

The Government of Ontario requires local communities to support the development of hospitals in their community. In 2009, Council approved a funding option towards the Vaughan Hospital Precinct Development Plan which is to be raised through a dedicated property tax rate. Approximately \$7,088,883 will be collected on the 2017 final property tax bill excluding payment-in-lieu and supplemental payments. This contribution does not form part of the City's operations and as such will be shown separately on individual property tax bills. This equates to approximately \$56 for the average home in Vaughan.

Relationship to Term of Council Service Excellence Strategy Map (2014-2018)

The issuance of the final property tax levy supports the strategic priorities established by the Service Excellence Strategy Map, in particular to ensure "Financial Sustainability".

Regional Implications

The City of Vaughan will be collecting approx. \$323,946,539 in property taxes on behalf of the Region of York.

Conclusion

A by-law enacted to adopt the Municipal, Regional and Education tax rates and levies for 2017 will permit staff to proceed with the issuance of the final property tax bills.

Attachments

1. 2017 Property Tax Rates

Report prepared by:

Maureen Zabiuk, A.I.M.A., CMRP
Manager of Property Tax & Assessment
Ext. 8268

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)

2017 ADOPTION OF TAX RATES AND THE ISSUANCE OF PROPERTY TAX NOTICES - ALL WARDS

Recommendation

The Chief Financial Officer & City Treasurer and the Director of Financial Services/Deputy Treasurer, in consultation with the Manager of Property Tax & Assessment recommend:

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Report prepared by:

Maureen Zabiuk, A.I.M.A., CMRP
Manager of Property Tax & Assessment
Ext. 8268

Respectfully submitted,

Laura Mirabella-Siddall, CPA, CA
Chief Financial Officer & City Treasurer

Dean Ferraro, CPA, CA
Director of Financial Services/Deputy Treasurer

C I T Y O F V A U G H A N

2017 TAX RATES

ASSESSMENT CATEGORY	TAX CODES	TAX RATES			
		Municipal	Regional	Education	TOTAL
Residential Taxable Full Taxable: Shared Payment-In-Lieu	RT RH	0.00218099 0.00218099	0.00371903 0.00371903	0.00179000 0.00179000	0.00769002 0.00769002
Multi Residential Taxable Full New Multi Residential Taxable Full	MT NT	0.00218099 0.00218099	0.00371903 0.00371903	0.00179000 0.00179000	0.00769002 0.00769002
Commercial Commercial Taxable Full Commercial: Taxable Shared Payment-In-Lieu Commercial: Taxable Excess Land Commercial: Taxable Vacant Land Commercial: Taxable Farmland I Commercial New Construction: Taxable Full Commercial New Construction: Taxable Excess Land Office Building New Construction: Taxable Full Office Building New Construction: Taxable Excess Land Shopping Centre New Construction: Taxable Full Shopping Centre New Construction: Taxable Excess Land Parking Lot: Taxable Full	CT,DT,ST CH CU,DU,SU CX C1 XT XU YT YU ZT ZU GT	0.00257643 0.00257643 0.00180350 0.00180350 0.00054525 0.00257643 0.00180350 0.00257643 0.00180350 0.00257643 0.00180350 0.00257643 0.00180350 0.00257643 0.00180350	0.00439334 0.00439334 0.00307534 0.00307534 0.00092976 0.00439334 0.00307534 0.00439334 0.00307534 0.00439334 0.00307534 0.00439334 0.00307534 0.00439334 0.00307534	0.00987908 0.00987908 0.00691536 0.00691536 0.00044750 0.00987908 0.00691536 0.00987908 0.00691536 0.00987908 0.00691536 0.00987908 0.00691536 0.00987908 0.00691536	0.01684885 0.01684885 0.01179420 0.01179420 0.00192251 0.01684885 0.01179420 0.01684885 0.01179420 0.01684885 0.01179420 0.01684885 0.01179420 0.01684885
Industrial Industrial: Taxable Full Industrial: Taxable Shared Payment-In-Lieu Industrial: Taxable Excess Land Industrial: Taxable Excess Land Shared Payment-In-Lieu Industrial: Taxable Vacant Land Industrial: Taxable Farmland I Industrial New Construction: Taxable Full Industrial New Construction: Taxable Excess Land Large Industrial New Construction: Taxable Full	IT,LT IH IU,LU IK IX I1 JT JU KT	0.00309022 0.00309022 0.00200864 0.00200864 0.00200864 0.00054525 0.00309022 0.00200864 0.00309022	0.00526945 0.00526945 0.00342514 0.00342514 0.00342514 0.00092976 0.00526945 0.00342514 0.00526945	0.01140000 0.01140000 0.00741000 0.00741000 0.00741000 0.00044750 0.01140000 0.00741000 0.01140000	0.01975967 0.01975967 0.01284378 0.01284378 0.01284378 0.00192251 0.01975967 0.01284378 0.01975967
Pipeline Taxable Full	PT	0.00200433	0.00341779	0.01390000	0.0193221
Farm Taxable Full	FT	0.00054525	0.00092976	0.00044750	0.00192251
Managed Forest Taxable Full	TT	0.00054525	0.00092976	0.00044750	0.00192251

THE CITY OF VAUGHAN

BY-LAW

BY-LAW NUMBER 076-2017

A By-law to adopt property tax rates, tax ratios and to provide for the general local municipality levy and collection of levies required by the Corporation of the City of Vaughan (the “City”) for the year 2017 and to provide for the issuance of tax bills requiring payment of taxes for the year 2017.

WHEREAS subsection 312(2) of the *Municipal Act, 2001*, S.O. 2001, c.25, (the “***Municipal Act***”) provides that a local municipality shall, each year, pass a by-law levying a separate tax rate on the assessment in each property class in the local municipality rateable for local municipality purposes;

AND WHEREAS the Regional Municipality of York (“**York Region**”) has approved tax ratios for the taxation year 2017, with such ratios to be applied in determining tax rates for the City and for York Region purposes;

AND WHEREAS the *Municipal Act* mandates the capping of tax increases on Commercial, Industrial and Multi-Residential property classes;

AND WHEREAS estimates have been prepared showing the sum required to be raised for the lawful purpose of the City for the year 2017, which estimates are made up as follows:

No	Taxation Category	2017 Amount
1	York Region Purposes	\$ 323,946,539
2	City General Purposes	189,975,219
3	Education Purposes	296,643,446
4	Local Improvements	27,482
5	Utility Right-of-Ways	2,024,627
	TOTAL	\$ 812,617,313

NOW THEREFORE THE COUNCIL OF THE CITY ENACTS AS FOLLOWS:

- The following property tax class ratios shall be applied in determining tax rates for taxation in 2017:

Property Class	Tax Ratios
Residential and Farm	1.000000
Multi Residential	1.000000
New Multi Residential	1.000000
Commercial	1.181313
Industrial	1.416888
Pipeline	0.919000
Farmland	0.250000
Managed Forests	0.250000

- The following is a statement of the property assessment by class, railway right-of-ways and hydro corridor as provided by the Municipal Property Assessment Corporation, followed by a summary statement for each levying purpose for property taxation in 2017.

CURRENT VALUE ASSESSMENT CLASS CATEGORY	ASSESSMENT
Residential	\$65,140,884,494
Multi Residential	287,437,083
Commercial Properties	
Full Occupied	12,436,204,783
Excess Lands	417,484,324
Vacant Land	327,718,963
Farmland Awaiting Development – Phase 1	20,125,850
Shared PIL/Taxable (CH)	8,732,025
Industrial Properties	
Full Occupied	3,982,970,494
Excess Lands	28,423,317
Vacant Land	491,597,900
Farmland Awaiting Development – Phase 1	28,566,100
Shared PIL/Taxable (IH)	43,914,825
Vacant Land (IK)	29,827,000
Pipeline	96,662,500
Farmland	180,246,875
Managed Forests	4,353,975
TOTAL	\$ 83,525,150,508

RAILWAY RIGHT-OF-WAYS & HYDRO CORRIDOR			
	Railway Right-of-Ways		461.74 Acres
	Go Transit		98.83 Acres
	Utility Transmission		635.78 Acres
1	York Region Purposes		83,525,150,508
2	City General Purposes		83,525,150,508
3	Education Support Purposes		83,525,150,508
4	Utility Transmission		635.78 Acres
5	Railway Right-of-Ways		461.74 Acres
6	Go Transit		98.83 Acres

3. For the purposes of this By-law, York Region has established tax rate reductions for prescribed property sub classes under York Region By-law 2017-26.
4. The sum of \$323,946,539 shall be levied and collected for the City's share of the 2017 York Region budget, adopted under York Region By-law 2017-27 such amount to be provided by applying the property tax rates as summarized in Schedule "A" attached hereto and forming a part of this By-law to the taxable assessments and by applying the rates set out in the applicable Ontario regulations to the acreage of the railway right-of-ways and hydro corridor.
5. The total sum of \$323,946,539 shall be levied and collected for City general purposes, such amount to be provided by applying the property tax rates as summarized in Schedule "A" attached hereto to the taxable assessments. The above amount includes \$7,088,883 which is to be collected to support the Vaughan Hospital Precinct Development Plan.
6. The sum of \$296,643,446 shall be levied and collected for Ontario education support purposes, such amount to be provided by applying the property tax rates as summarized in Schedule "A" attached to the taxable assessments. The education rates are established by the applicable Ontario regulations.
7. For properties subject to payments in lieu of taxes and so assessed, payments in lieu of taxes shall be calculated by applying the tax rates on Schedule "A" attached hereto that would be applicable to the property as if it were subject to tax.

8. The taxes due to the City of Vaughan for railway rights-of-way assessments and utility transmission and distribution corridor assessments shall be calculated in accordance with the rates established by the relevant Ontario regulations.
9. For the purpose of paying the debentures issued pursuant to the following by-laws, the following sums shall be levied and collected from the owners of properties liable therefore:

Local Number	Expiry Year	Location	By-law Number	Amount \$
78	N/A	National Estates Entrance Feature Maintenance	337-1998, as amended	6,901
108-OY	2021	Old Yonge Street	108-2011	11,691
108-M	2021	Mill Street	108-2011	8,890
T O T A L				\$27,482

10. The treasurer for the City (the “**Treasurer**”) shall cause to be sent to every taxpayer, a tax bill, in the form and with the content specified in the *Municipal Act*, at least 21 days before any taxes shown on the bill are due and payable, at the taxpayer’s residence or place of business or to the premises in respect of which the taxes are payable unless directed in writing by the taxpayer to send the tax bill to another address.
11. The Interim Tax Levy authorized pursuant to City By-law No. 002-2017 shall be shown as a reduction in the Final Tax Levy.
12. The amount of real property taxes for all property classes levied by this By-law shall be divided into three amounts. One amount shall be known as the first instalment, and shall become due and payable on or before the date specified on the tax bill. The next amount shall be known as the second instalment and shall become due and payable on or before the date specified on the tax bill. The other amount shall be known as the third instalment and shall become due and payable on or before the date specified on the tax bill. Any bill of \$200.00 or less shall become due and payable in full on the first scheduled instalment date specified on the tax bill.
13. Notwithstanding section 12, where the total final levy to be imposed on a property would be less than ten (10) dollars, the amount of the actual taxes payable shall be zero.

14. In the event of a default of payment of any instalment of taxes or any part of any instalment, the remaining instalment or instalments shall forthwith become due and payable.
15. The Treasurer shall add to the tax roll, any amount, arrears of charges, fees, costs or other expenses given priority lien status pursuant to the authority contained in any act of the Legislature of the Province of Ontario. The amount may be added to the tax roll against the property in respect of which the amount was imposed or against any other property in respect of which the amount is authorized to be added under the *Municipal Act*, or any other act.
16. As provided by the *Municipal Act*, and pursuant to City By-law No 328-2004, in the event that the taxes are not paid by the due date, late payment charges will be imposed, consisting of a percentage charge of one and one-quarter percent (1.25%) on the first day of default and on the first day of each calendar month thereafter in which default continues.
17. Unless otherwise approved by the Treasurer, any payment received on account of taxes shall first be applied against late payment charges, with charges imposed earlier being discharged before charges imposed later, and then against taxes owing, with taxes imposed earlier being discharged before taxes imposed later.
18. In the event of any defect, error or omission in the form or substance of a tax bill, proceedings for the recovery of taxes shall be governed by subsection 343(10) of the *Municipal Act*.
19. All taxes are payable at the Municipal Office for the City, except that, with payment of any applicable fee, taxes may be paid at most financial institutions that accept tax payments. Payments must be received by the City on or before each applicable due date. If received by the City after the applicable due date, late payment charges as provided by the *Municipal Act* and applicable City by-laws shall be applied.
20. Taxes may further be payable through the optional pre-authorized payment plan (the “**PAP**”). Upon application, any taxpayer meeting the requirements of the PAP may be enrolled in the PAP with two choices, the instalment due date payment plan for interim and final billing or the eleven month instalment plan. Thereafter the City shall be authorized to withdraw property taxes from the bank account of the said taxpayer on the instalment due date of each interim and final billing or the City shall be authorized to withdraw property taxes from the bank account of the said taxpayer on the

first banking day of each month from January to November inclusive, in the amount set out in the notice forwarded to the taxpayer by the Treasurer. Administrative charges and late payment charges as provided by the *Municipal Act* and applicable City by-laws shall be applied if the taxpayer's financial institution indicates insufficient funds for any payment.

Enacted by City of Vaughan Council this 27th day of June, 2017.

Hon. Maurizio Bevilacqua, Mayor

Barbara A. McEwan, City Clerk