

Report to Corporate Services Committee

To: Chair and Members
Corporate Services Committee

From: Anna Lisa Barbon,
Deputy City Manager, Finance Supports

Subject: Year 2024 Tax Policy

Date: April 15, 2024

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, the following actions be taken with respect to property taxation for 2024:

- a) the attached proposed by-law (Appendix 'A') being a by-law setting tax ratios for property classes in 2024, in accordance with Sub-sections 308(4) and 308.1(4) of *the Municipal Act, 2001* BE INTRODUCED at the Municipal Council meeting to be held on April 23, 2024, it being noted that the 2024 Municipal Tax Ratio By-Law has been prepared reflecting the equalization of the average property tax increase in residential and multi-residential classes with no change to other tax ratios;
- b) the attached proposed by-law (Appendix 'B') being a by-law levying tax rates for property classes in 2024, in accordance with Sections 307 and 312 of the *Municipal Act, 2001* BE INTRODUCED at the Municipal Council meeting to be held on April 23, 2024; and,
- c) that Civic Administration BE REQUESTED to invite the Municipal Property Assessment Corporation to provide an update at the May 6, 2024 meeting of the Corporate Services Committee on municipal property assessment in the Province of Ontario.

Executive Summary

The 2024 Tax Policy for the City of London is shaped by announcements and decisions made by the Province. Provincial property tax decisions for 2024 include maintaining the same education rates and continuing to delay reassessment pending a review of the property assessment and taxation system. In the absence of reassessment, which would potentially create property tax shifts between classes, the commercial, industrial, and multi-residential tax ratios cannot be increased using revenue neutral ratios. The decisions available for the 2024 Tax Policy will be either to keep the tax ratios the same as 2023 or to lower one or more of the other tax ratios; commercial, industrial, and/or multi-residential. Civic Administration has prepared the 2024 Tax Policy which will equalize the average property tax increase for residential and multi-residential property classes. This results in a slight decrease in the multi-residential tax ratio while still remaining competitive in comparison with municipal peers.

Linkage to the Corporate Strategic Plan

Council's 2023 - 2027 Strategic Plan for the City of London identifies "Well-Run City" as a strategic area of focus. The information contained in this report would assist in developing tax policy to align with Council priorities of the Strategic Plan by supporting London's competitiveness through prudent and equitable fiscal policy. The tax policy achieves this result by focusing on equity within and between property tax classes and examining alternatives in a transparent manner.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

- Corporate Services Committee, February 18, 2020, Consent Item 2.5, Future Tax Policy – Possible Directions
- Corporate Services Committee, January 15, 2024, Consent Item # 2.9, Assessment Growth for 2024, Changes in Taxable Phase-in Values, and Shifts in Taxation as a Result of Reassessment
- Corporate Services Committee, February 26, 2024, Consent Item # 2.3, 2024 Tax Policy Expectations

1.2 Tax Policy Guiding Principles

Tax Policy looks at how the municipality chooses to allocate the amount of property taxes to be collected for municipal purposes as set out in the tax levy approved by Municipal Council through the budget process.

The guiding principles for the City of London's Tax Policy are equity, economic development, transparency, and administrative efficiency.

The tax policy follows the equity principle by focusing on equity and fairness within and between property tax classes.

The tax policy is an effective tool as it can help ensure the City has a competitive property tax system which can impact business retention and the diversification of economic development.

Tax policy achieves transparency when decisions and alternatives are examined in an open and public manner which is understandable to taxpayers.

When considering any change to the property tax system, such as an optional property tax class, it is important to ensure administrative efficiency and cost effectiveness can be maintained.

1.3 Tax Levy versus Tax Policy

In March 2024, the Municipal Council approved the amount of funding required to be raised by municipal property taxes for the 2024 fiscal year, \$812,742,626. Tax Policy, using tax ratios, allocates the property taxes to be collected for municipal purposes across the various property classes in the municipality; residential, multi-residential, farm, pipelines, managed forests, commercial, and industrial. To use an analogy, the tax levy identified as part of budget approval determines the size of the pie, and tax policy determines the size of each piece of pie according to class. In most years, assessment changes alter the size of each piece and tax ratios are adjusted to achieve the optimal size for each class. In the absence of reassessment, the pieces for each class are essentially the same as the previous year.

1.4 Definition of the Term "Tax Ratio"

Tax ratios compare the tax rate for municipal purposes in a particular property class to the residential class. The ratio for the residential class is deemed to be 1.00. A tax ratio of 2.00 would therefore indicate a municipal tax rate twice the residential municipal tax rate. Education tax rates are set by the Province and are not dependent on tax ratios approved by municipal Council. Under subsection 308(4) of the *Municipal Act, 2001* all single tier municipalities are required to pass a by-law each year to establish tax ratios for the year.

1.5 London's Tax Ratios, Provincial Thresholds and Municipal Comparisons

In reviewing the tax policy for 2024, it should be noted that none of the property classes in the City of London have tax ratios that are above the Provincial thresholds. The only property class in London that was ever above the Provincial threshold was the industrial class. Council moved the industrial ratio down to the threshold for the 2001 taxation year. When establishing tax ratios from 2006 through 2023, Council has maintained the policy of not permitting tax ratios in any property class to exceed Provincial thresholds. As a result, no property classes are limited to increases at half of the residential rate increase.

Schedule "A", attached, summarizes the tax ratios for municipalities with populations greater than 110,000 included in the 2023 Municipal Study prepared by BMA Management Consulting Inc. London has a commercial tax ratio that is at the median for the group and 7.2% above the average. The multi-residential ratio is below the median by 8.4% and below the average by 1.5%. The industrial tax ratio is below the median by 13.4% and below the average by 16.8%.

For 2023, the only cities to reduce ratios in the multi-residential, commercial, and industrial classes had ratios above the provincial thresholds in those classes.

The tax ratios in effect for the year 2023 and their proximity to the Provincial thresholds or averages established in 2001, as well as the Provincial targets or allowable ranges can be summarized as follows:

	City of London 2023 Tax Ratio	Provincial Threshold/Average (O.Reg. 73/03)	Provincial Targets/Allowable Ranges (O.Reg. 386/98)
Commercial	1.910000	1.98	0.6 to 1.1
Industrial	1.910000	2.63	0.6 to 1.1
Multi-Residential	1.709600	2.00	1.0 to 1.1
Pipeline	1.713000	N/A	0.6 to 0.7
Farm	0.102820	N/A	N/A
Residential	1.000000	N/A	N/A
New Multi-Residential	1.000000	N/A	1.0 to 1.1

Schedule "D" attached, provides comparative information on how different municipalities tax the various major property classes. This information comes from the 2023 BMA Municipal Study and includes municipalities with populations greater than 110,000. The last column of Schedule "D" is a theoretical calculation that shows the tax increase that would be required in the residential property class in each municipality if all property classes had a tax ratio of 1.0. The data indicates that the theoretical adjustment for the City of London would be close to the middle of the group without giving special weighting to Toronto to reflect its much larger size. The City of London's tax ratios are in the average range and not unusual when compared to other major centres in the Province.

1.6 Revenue Neutral Ratios and Reassessment

Since values for different classes of property rarely change at a uniform rate, the share of assessment shifts between classes during each reassessment. If residential class values increase at a rate greater than the municipality as a whole, a tax shift primarily impacting the residential class will result. Provincial legislation prohibits municipalities from increasing non-residential tax ratios which are outside of the allowable ranges. However, since 2009, municipalities have been permitted to mitigate tax shifts due to equity changes from reassessment by adopting transition tax ratios that achieve a revenue neutral effect. This may result in an increase to non-residential tax ratios provided they do not exceed established thresholds. As stated in the property tax

decisions letter from the province for the 2023 taxation year, this flexibility is now permanent.

On March 25, 2020, the City was advised that the Province postponed reassessment which means that property assessment for the 2021 taxation year would continue to be based on the same valuation date that was in effect for the 2020 taxation year. That valuation date was January 1, 2016. As per the “Assessment Growth for 2024, Changes in Taxable Phase-Values, and Shifts in Taxation as a Result of Reassessments” reported to the Corporate Services Committee on January 15, 2024, based on information provided by the Municipal Property Assessment Corporation (MPAC), no changes in total phase-in values for taxable properties will occur in 2024. In the letter sent from the Ministry of Finance outlining property decisions for 2024, no timeline for reassessment was provided. Further, the 2024 Ontario Budget released on Tuesday March 26, 2024, reconfirmed this.

The assessments provided by MPAC are meant to provide “Current Value Assessment” for all properties. Due to the normal 4-year phase-in of reassessments, the actual current value is usually higher than the assessed current value by year four. As we enter the eighth year since reassessment, the actual current value, based on reported sales, is significantly higher than the assessed current value. Since sales analysis is one of the main inputs used by MPAC in the assessment of residential properties, it is anticipated that, when reassessment resumes, the current value assessment will closely reflect the actual current value of residential properties. However, a significant increase in assessed value does not necessarily mean a large increase in property taxes as assessed value is only one input when calculating the property tax bill.

The other input when calculating the property tax bill is the property tax rate. The municipal portion of the property tax bill is based on the amount of money to be raised based on the municipal budget (the tax levy). If the weighted assessment for the City of London is significantly higher, and the tax levy is only slightly higher, the residential property tax rate will need to be lower to collect the appropriate amount of tax revenue. Using an example where the average assessment increase is 30% and the tax levy increase is 5%, we can illustrate the impact to residential properties. In this scenario, a property with a 30% increase in assessed value would have a property tax bill with a municipal portion which is 5% higher. A property with a 20% increase in assessed value would have a property tax bill with a municipal portion which is less than 5% higher. A property with a 40% increase in assessed value would have a property tax bill with a municipal portion which is more than 5% higher.

1.7 Review of Tax Policy is an Annual Requirement

Subsection 308(4) of the *Municipal Act, 2001* requires that all single tier municipalities “shall pass a by-law in each year to establish the tax ratios for that year for the municipality”. Tax ratios determine the distribution of tax levy between the different property classes.

Every four (4) years a general reassessment of the Province occurs in accordance with section 19.2 of the Assessment Act with 2021 through 2024 being exceptions. Although reassessments have no effect on the total amount of the tax for any year, reassessments can affect the way the tax burden is distributed between the different property classes.

The setting of tax ratios permits municipal councils to control the way tax burden is distributed between property classes. Tax ratios need to be reviewed every year to determine how the current year’s tax burden is being imposed on the different property classes and how the tax ratios in each year compare to the level of tax ratios in other municipal jurisdictions in the Province. The setting of tax ratios by municipal councils is subject to legislation contained in part VIII of the *Municipal Act, 2001* and various regulations filed in accordance with that part of the Act.

Provincial tax policy with respect to education property taxation is also relevant to tax policy determination at the municipal level. Each year the Ministry of Finance for the Province sends a letter to all municipalities in the Province advising them of any changes to municipal tax policy restrictions on municipalities. The Province also normally provides in that letter information about provincial education property tax rates and education property tax policy decisions. This information was received by the City on January 19, 2024, from the Ministry of Finance. The information in this annual letter is relevant to tax ratio setting at the municipal level and this has been included as part of the Year 2024 Education Tax Rates report.

Due to the assessment freeze continuing for 2024, there are no assessment-related tax shifts, and the use of revenue neutral ratios is not relevant. Provincial tax policy with respect to education property taxation has resulted in significant savings in the education portion of property taxes for the commercial and industrial classes since 2021.

2.0 Discussion and Considerations

2.1 Possible Directions identified in the 2024 Tax Policy Expectations report to Corporate Services Committee on February 26, 2024

In the above referenced report, four possible directions were identified. They were as follows:

1. Maintain tax ratios in the three main non-residential classes at their current levels.
2. Adjust ratios on an annual basis to mitigate assessment related tax increases in property classes (possibly giving priority to the multi-residential property class).
3. Reduce all the non-residential tax ratios in a gradual way (possibly giving priority to the multi-residential property class), and/or
4. Focus only on lowering the multi-residential tax ratio over a period of time.

These directions have guided City of London Tax Policy over the years. Outlined below is an overview of the 2024 tax policy recommendation and alternatives presented for consideration as outlined in detail on Schedule 'B'. Note, as there is no reassessment of property values until at least 2025, 'direction' #2 is not an applicable consideration.

Civic Administration Recommendation

- Equalize the average property tax increase in residential and multi-residential property classes, which results in a slight reduction in the multi-residential tax ratio. This recommendation is in keeping with 'direction' #4 where the focus is on only lowering the multi-residential ratio over a period of time.

Alternative 'A'

- No changes are made to tax ratios, tax ratios for 2024 are kept the same as they were in 2023. This alternative is in keeping with 'direction' #1 where tax ratios in the three main non-residential classes are maintained at their current levels.

Alternative 'B'

- Equalize the average property tax increase in residential, and multi-residential classes while reducing the tax ratios for multi-residential, commercial, and industrial property classes. This alternative is in keeping with 'direction' #3 where all the non-residential tax ratios are reduced in a gradual way.

Alternative 'C'

- Reduce the commercial and industrial property class tax ratios to the average commercial ratio of 1.78 while equalizing the average increase in residential and

multi-residential property classes where the multi-residential ratio is also reduced. This alternative is in keeping with 'direction' #3.

Alternative 'D'

- Reduce only the multi-residential ratio to 1.5 and equalize the municipal tax increase in residential and all other classes. This alternative is in keeping with 'direction' #4, however this creates a more significant tax shift to other classes.

2.2 Civic Administration Tax Policy Recommendation Explanation

2.2.1 Tax Ratio Recommendation – Multi-residential Property Class

As shown in Schedule "A", the multi-residential ratio in the City of London is below the average and the median when compared to the other municipalities listed. In December 2016, the Provincial Ministry of Finance issued a letter indicating that the Province had concerns with respect to the taxation of multi-residential properties, and it was their intention to study the issue and consult with various stakeholders beginning early 2017. In the letter, the Province indicated its intention to restrict tax increases in the multi-residential property class in 2017, in any municipality where the 2017 tax ratio was greater than 2.0. London was not subject to this restriction since its tax ratio was below the 2.0 level. The same tax ratio restriction for the multi-residential property has been in place since 2018 and is in place for 2024.

In the property tax decision letter for 2023, the Ministry of Finance, referencing *Ontario's Housing Supply Action Plan 2022-2023*, emphasized that the provincial government has committed to consulting with municipalities on potential approaches to reduce the current property tax burden on multi-residential apartment buildings. This is similar to the approach used in 2016 which resulted in reducing the multi-residential ratio threshold to 2.0. A new round of consultation may trigger a further reduction to the multi-residential ratio threshold.

Since the year 2000, the City has decreased its multi-residential tax ratio from 2.3852 to 1.70960 in 2023. This has been the result of adopting a long-term policy to equalize non-residential tax ratios, and also to equalize municipal tax increases in the residential and multi-residential property classes in particular years. In 2015, the City equalized non-residential tax ratios. From 2016 – 2020, and 2023, the City annually equalized municipal tax increases in the residential and multi-residential property classes and decreased the multi-residential property class tax ratio below the commercial and industrial levels.

In 2017, the Province implemented a new multi-residential property class which has created a situation where multi-residential properties are being taxed on a long-term basis at very different levels based on nothing more than the date of construction. This would seem to contradict the basic principle of equity in the tax policy. All properties within the same property class should pay the same tax rate. The planned consultation by the province may address the current inequity in multi-residential properties. In response to anticipated reductions in the multi-residential ratio threshold, Council may wish to consider adopting a policy to adjust the tax ratio for the multi-residential property class to the new construction level gradually over an extended period of time. The justification for this approach would be to establish equity within the property class so that all properties would be subject to the same tax rate on their market value. The approach would need to be gradual to mitigate the effect on other property classes.

For 2024, due to the delayed reassessment, tax increases in the multi-residential and residential classes for municipal purposes are already equalized. A slight reduction to the multi-residential ratio is required to achieve equalization including education using the same ratios as 2023 for all other classes. This is reflected in the first column identified as "Recommendation" on Schedule "B", which adjusts the multi-residential tax ratio to 1.703743 with no changes to the other property tax class ratios.

2.2.2 Tax Ratio Recommendation – Commercial and Industrial

Schedule “A” attached, summarizes the tax ratios for municipalities with populations greater than 110,000 included in the 2023 Municipal Study prepared by BMA Management Consulting Inc. Schedule “A” shows the tax ratios for the three main non-residential property classes – Commercial, Industrial, and Multi-residential. In 2015, the City of London achieved a long-term objective identified in September 2011 of lowering and equalizing the tax ratios in the main non-residential property classes. Over a four (4) year period, the City adjusted all the main non-residential tax ratios to a level of 1.95. The City gradually reduced the ratios for the commercial and industrial property classes from 2017 to 2020. As shown in Schedule “A”, the City of London arguably has a competitive advantage as both the multi-residential and industrial class ratios are below the provincial average and median.

The information in Schedule “A” shows that, in 2023, only four other municipalities reduced the multi-residential, commercial, and/or industrial ratios. Toronto reduced all business class ratios, Hamilton reduced the multi-residential and industrial ratios, Greater Sudbury reduced industrial ratios, and Thunder Bay reduced the multi-residential and commercial ratios. The ratios for the City of London, which reduced the multi-residential ratio, are still lower and more competitive than each of the four municipalities that saw decreases in 2023.

For 2024, it is recommended that Commercial and Industrial tax ratios continue to be maintained at a uniform level. It would seem there is no reasonable justification for taxing industrial properties at higher rates than commercial properties, as was a past practice prior to 2015. The Province has accepted the validity of this position in the setting of education tax rates for commercial and industrial properties. Starting in 2017, the Province established equal education property tax rates for commercial and industrial properties and has continued this practice for the 2024 taxation year.

For 2024, the ongoing pause on reassessments means the commercial and industrial tax ratios are already at a level to equalize municipal tax increases in the commercial and residential property classes. This is illustrated in the “average tax increases in property classes excluding education” cell under the “Alternative A” column on Schedule “B” attached. Normally, to achieve this the commercial and industrial ratios would be set at what is generally described as a revenue neutral level. If no ratio adjustment is made, the average municipal tax increase in all classes would be 8.54% as indicated on Schedule “C”, attached. Schedule “A” indicates that the City of London commercial tax ratio in 2023 was above the average level although at the median level for the group.

At the 2023 Municipal Finance Officers Conference (MFOA), a presentation by Municipal Tax Equity Consultants (MTE) identified concerns related to the extended period of frozen assessment. While the actual impacts are unknown, it is anticipated that there will be significant tax shifts once reassessment occurs. For municipalities with high commercial and industrial class ratios, there is concern that mitigating the tax shift using revenue neutral ratios may trigger a levy restriction if it causes commercial/industrial ratios to exceed the Provincial threshold. While the City of London has lowered the commercial and industrial ratios over time, further lowering these tax ratios could potentially provide greater flexibility at the time of a future reassessment. The greater the commercial tax ratio is below 1.98, the greater the flexibility for the municipality in future years. Enacting direction #3, shown in section 2.1, would result in a reduction to commercial and industrial ratios.

It is unknown what impact the new assessed values will have on the various property tax classes. If, for example, residential values increase significantly more than commercial and industrial values, revenue neutral ratios, whose permitted use is now permanent, may be required which would result in an increase to commercial and industrial ratios which would lead to a larger increase if those ratios were reduced prior to the reassessment. Due to the unknown impact of future assessment values, it is recommended that Direction # 4 is employed for 2024 which is to equalize the average

property tax increase which includes education in the residential and multi-residential classes while maintaining all other non-residential ratios at the current levels.

2.2.3 Tax Ratio Recommendation – New Multi-residential Property Class

On July 5, 2017, the Minister of Finance signed a regulation requiring all municipalities to establish a new multi-residential property class with a tax ratio range between 1.0 and 1.1. The regulation applied to any multi-residential property in Ontario built or converted from a non-residential use, pursuant to a building permit issued after April 20, 2017. In accordance with this regulation, the City of London established a new multi-residential property class with a ratio of 1.0 in 2017. It is recommended that this ratio be continued for 2024. Since the creation of a new multi-residential property class, of the 565 multi-residential properties in the City of London, 28 properties are classified under the new multi-residential ratio.

On March 26, 2024, the 2024 Ontario Budget announcement included a goal to encourage the development of purpose-built rental properties by providing municipalities with the flexibility to offer a reduced municipal property tax rate on new multi-residential rental properties. A letter received from the Ministry of Finance on April 4, 2024, provided additional details pertaining to this announcement. Municipalities will be able to offer this type of tax reduction through the adoption of an optional new multi-residential property subclass. As this information was just received, further review will be required prior to providing a full analysis, it may be appropriate to consider adopting this flexibility in a future tax policy. The impacts of this new flexibility will be the subject of a future report. Currently, the City's New Multi Residential ratio is the lowest it can be in accordance with the allowable ranges set forth in Ontario Regulation 386/98.

This announcement appears to support the commitment to reduce the current property tax burden on multi-residential apartment buildings illustrated in Section 2.2.1 but it is unclear whether further measures will be taken at the conclusion of the property assessment and taxation review.

2.2.4 Tax Ratio Recommendation - Farm Property Class

The tax ratio for the farm property is set in accordance with Section 308.1 of the *Municipal Act, 2001*. Under the provisions of that Sec. 308.1, the ratio is automatically reset to 0.25 every year unless the municipality sets it at a lower level by by-law each year. The farm property class is a very small class in the City of London, and changes in the tax ratio for the farm class have no significant impact on any other property classes. In the past, the City has always followed a policy of setting the farm property class tax ratio at a level that would result in the farm class receiving the average municipal tax increase, subject to the 0.25 maximum in the legislation. After a review of farm tax ratios and farm tax rates in the Province and in the vicinity of London this policy was discontinued for 2020. It is recommended that the tax ratio for farmland in 2024 be the same as 2023 which was 0.102820.

In December 2017, the Ministry of Finance issued a letter indicating that beginning in 2018 it would permit the option of a 75% tax rate reduction on the first \$50,000 of assessment related to qualifying non-farm commercial activity at a farm property. At the time of the 2018 property tax billing, MPAC had not provided the City of London with a list of any eligible properties and the City did not utilize this option. The assessment roll provided by MPAC indicates that only two (2) roll numbers in the City qualify for this special tax reduction. Participation in the program, however, is not recommended. Only two (2) properties qualify, and tax mitigation is already being provided to farmland property owners through the establishment of tax ratios. The tax reduction on two (2) properties would be less than \$2,000.

2.2.5 Tax Ratio Recommendation - Landfill Property Class

The City of London does not have any taxable property in the Landfill property class. It is recommended that a ratio be established each year, however, at the maximum permitted by legislation. Council would still have the ability to set a ratio at a lower level, at any point in time, in the future at its discretion if and when taxable assessment came into existence in the City. This approach will maximize the flexibility for ratio setting in this property class in the future. The maximum ratio permitted by legislation in 2024 is 3.425937 (Revenue neutral ratio x 1.05 or 3.262797x 1.05).

2.2.6 Tax Ratio Recommendation - Pipeline

Unlike the commercial, industrial, and multi-residential classes, the Province has not set any threshold tax ratio level or levy restriction with respect to the pipeline class. However, there are significant restrictions on increases in pipeline tax ratios set out in section 308 of the *Municipal Act, 2001*. It is therefore recommended that the tax ratio for the pipeline class not be changed for the year 2024.

2.2.7 Summary of Tax Ratio Recommendations for 2024

In summary, for 2024 Civic Administration are recommending Council choose to equalize the average increase in residential and multi-residential property classes, including education, with no change to other property class ratios as shown under "Recommendation" on Schedule "B". Schedule "B" indicates the alternative tax ratios and the average % increases in taxes in the various property classes, both including and excluding the education component of the property tax bill. In most years, there is a reassessment phase-in which results in varying increases to property taxes across all property classes. Adjustments to ratios have occurred in the past to equalize tax increases across classes. In the absence of reassessment for 2024, no adjustments to tax ratios are required to equalize tax increases across property classes for the municipal portion. A slight reduction to the multi-residential ratio is required to equalize the average municipal tax increase in residential and multi-residential classes, including education. Equalizing the residential and multi-residential ratios in 2024 results in an average tax increase of 7.66% in these classes. This approach would allow commercial and industrial properties to continue to experience the full benefit of the education tax reduction implemented by the Province in 2021 with an average tax increase of 6.33% in 2024. As announced in the 2024 Provincial property tax decision letter, assessments will continue to be based on current value as of January 1, 2016, until at least 2025.

For preparation of the 2024 Municipal Tax Ratio By-Law, Civic Administration has prepared the By-Law (Appendix A) utilizing equalization of the residential and multi-residential tax increase with no change to other tax class ratios which recognizes the deferred reassessment and potential future assessment impacts.

2.3 Property Tax Rate Calculation Adjustment

In 2024, the Province is permitting an optional technical adjustment in the calculation of levy increases required to be disclosed on tax bills (Ontario Regulation 75/01). The option would be appropriate in situations where the municipality has not adequately included provisions for future losses from assessment appeals, and similar adjustments in tax levies and budgets of previous years. This is not currently the situation in the City of London and we do not recommend the selection of this option.

2.4 Ongoing Reductions in Business Education Taxes

Municipalities do not have a direct impact in setting education tax rates. Education tax rates are set by the Province and provided to the Municipality historically in early spring. Municipalities have little control over the rates established. However, in April 2005, London City Council passed a resolution requesting that the Minister of Finance for the Province of Ontario "review the entire process for setting education property tax rates

for business properties and that education tax rates for properties in the City of London be lowered to a level consistent with other municipalities in the Province”.

The persistent advocacy of London City Council was rewarded when, as part of the 2020 Provincial Budget, the Province announced that business education tax rates across the Province will be reduced to 0.88% in 2021. This means that cities like London will no longer be at a disadvantage based on provincial education property tax policy. As a result, education tax rates for business properties were reduced in 2021. For business properties where building permits were applied for before March 22, 2007, the business education tax rate for 2021 decreased from 1.25% to 0.88%. For business properties where building permits were applied for after March 22, 2007, the business education tax rate for 2021 decreased from 0.98% to 0.88%. The majority of business properties in the City of London had building permits applied for before the March 22, 2007, date and were eligible to receive the larger decrease. This rate reduction impacts both the commercial and industrial property classes. It is anticipated that, starting in 2021 and continuing in 2024, the reduction in BET will save commercial and industrial businesses in London \$20.95 million annually.

3.0 Financial Impact/Considerations

3.1 Tax Policy Has No Impact on Budget or Levy

Estimated revenues and expenditures are established during the budget process. The tax levy for 2024 has been set at \$812,742,626. The role of the tax policy is to determine how that levy is distributed between the various property tax classes.

4.0 Key Issues and Considerations

4.1. Tax Policy 2024 Schedules

Schedule “A”, attached, is a very important schedule. It shows how London’s tax ratios compare to other municipalities in the Province. This schedule indicates that the City of London’s current tax ratios are competitive with other major cities in Ontario.

Schedule “B” attached, shows the various options recommended for Council’s consideration with respect to setting 2024 tax ratios. The schedule shows the average % increase in each property class, both including and excluding the education component of the property tax. Schedule “B” also shows the ratios required to implement each identified alternative. The result of the delayed reassessment is that municipal portion of tax increases for all property classes, using current ratios, are equalized at 8.54%. Civic Administration has prepared the 2024 Municipal Tax Ratio By-Law using the option to equalize the residential and multi-residential tax increase with no change to other tax class ratios.

Schedule “C” attached, shows the municipal tax impact by property class for 2024 based on the property tax levy change with no change in tax ratios.

Schedule “D” attached, illustrates the shift in tax burden using tax ratios for comparable municipalities with population greater than 110,000 in 2023. The right most column shows the implied adjustment that would be required to the residential tax rate if all ratios were changed to 1.0.

4.2 Re-assessment Delayed

Beginning with the 2008 current value assessment base, assessment increases were phased in over a four-year cycle. The phase-in process was implemented to provide an additional level of property tax stability and predictability. Any value decreases take effect immediately rather than being phased-in.

The province-wide reassessment by MPAC and subsequent four (4) year phase-in, scheduled to begin in 2021, has been deferred. The assessment roll provided by MPAC for use in calculating the 2024 property tax rates is based on a valuation date of January 1, 2016. Consultation will be performed by the Province to help determine the details and timing of the next assessment update. The new reassessment may result in tax shifts between property classes in a pattern that is different from the previous four (4) year cycle. It is not yet known what valuation date will be used for the next reassessment.

Representatives from MPAC could attend the Corporate Services Committee meeting scheduled for May 6, 2024, to provide any available updates and answer questions related to assessment. Note, as part of the 2024 Ontario Budget, reassessment is delayed until a review of the property assessment and taxation system is complete, focussing on 'fairness, affordability, business competitiveness, and modernized administration tools'.

4.3 Future Tax Policies

While assessment has been frozen for 2024, reassessments will occur in the future. The nature and timing of the reassessment remains unknown. In setting 2024 tax policy, it is important to recognize the potential tax shifts which may occur during the next assessment.

Moving forward, based on what is known to date, Civic Administration will continue to bring forward Tax Policy options for Municipal Council consideration in keeping with the four (4) directions that have been identified in this report, being mindful of the impact of reassessment and competitiveness of tax ratios in comparison with other Ontario municipalities.

Conclusion

The Ministry of Finance, in a letter to municipal treasurers, identified property tax decisions for the 2024 taxation year. These decisions include maintaining the same education rates as 2023, and a continued delay to reassessment pending a review of property assessment and taxation.

A delayed reassessment of property values has resulted in no assessment-based shifts and a municipal increase of 8.54% for all property classes if there are no changes to ratios. As no details are yet established for the next assessment, future impacts including tax shifts are unknown. As the province has indicated an intention in 2023 to reduce the property tax burden on multi-residential properties, it is recommended that the City of London follow the "Recommendation" column in Schedule "B" which is to gradually reduce the multi-residential ratio while equalizing the residential and multi-residential tax increase with no change to other tax class ratios. The result is a municipal increase of 8.19% for the multi-residential class and 8.56% for all other classes. When the education tax rate is factored in, the overall recommended property tax increase for residential and multi-residential property owners would be 7.66%, and 6.33% for commercial and industrial classes.

Prepared by: Joseph McMillan, CPA, CGA, Division Manager,
Taxation and Revenue

Submitted by: Ian Collins, CPA, CMA, Director, Financial Services

Recommended by: Anna Lisa Barbon, CPA, CGA,
Deputy City Manager, Finance Supports

APPENDIX "A"

Bill No.
2024

By-law No.

A by-law setting tax ratios for property classes in 2024.

WHEREAS section 308 of the *Municipal Act, 2001*, as amended, provides that the council of every single tier municipality in each year shall pass a by-law in each year to establish the tax ratios for that year for the municipality;

THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

2024 MUNICIPAL TAX RATIO BY-LAW

1. The tax ratios as set out in column 3 of Schedule "A" of this by-law are hereby established for 2024 taxation.

Definitions - Realty Tax Classes and Realty Tax Qualifiers

2. For purposes of this by-law, Realty Tax Classes and Realty Tax Qualifiers (Taxable/PIL) under the Ontario Fair Assessment System (OFAS) are defined in Schedule "B" of this by-law and are indicated in the first two characters of the codes in column 2 of Schedule "A" of this by-law. Where there is more than one code in column 2 of Schedule "A" the codes are separated by a comma.

Administration of By-law

3. The administration of this by-law is assigned to the City Treasurer who is hereby authorized and directed to do such things as may be necessary or advisable to carry out fully the provisions of this by-law.

Commencement

4. This by-law comes into force on the day it is passed.

PASSED in Open Council on April 23, 2024

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading –
Second Reading –
Third Reading –

SCHEDULE "A"
By-law No.

MUNICIPAL TAX RATIOS

COLUMN 1	COLUMN 2	COLUMN 3
ABBREVIATED RATEABLE PROPERTY DESCRIPTION	CODE	YEAR 2024 TAX RATIOS
com taxable farmland 1	c1n, c0n	0.750000
com taxable farmland 2	c4n	1.910000
Commercial small scale on farm	C7n	1.910000
commercial taxable – hydro	chn	1.910000
commercial taxable vacant - hydro	cjn	1.910000
commercial taxable - excess - hydro	ckn	1.910000
commercial taxable tenant of Province	cpn	1.910000
com taxable	ctn	1.910000
com taxable excess land	cun	1.910000
com taxable vacant land	cxn	1.910000
office bldg taxable – hydro	dhn	1.910000
office bldg taxable	dtn	1.910000
office bldg taxable excess land	dun	1.910000
farmland taxable fp	ffp	0.102820
farmland taxable fs	ffs	0.102820
farmland taxable no support	Ftn	0.102820
farmland taxable ep	ftep	0.102820
farmland taxable es	ftes	0.102820
parking lot taxable	Gtn	1.910000
industrial taxable farmland 1	i1n	0.750000
industrial taxable farmland 2	i4n	1.910000
industrial taxable – hydro	ihn, isn	1.910000
industrial taxable-hydro- excess land	ikn	1.910000
industrial taxable	itn	1.910000
industrial taxable excess land	iun	1.910000
industrial taxable vacant land	ixn	1.910000
large industrial taxable	Ltn	1.910000
large industrial excess land	Lun	1.910000
multi-res taxable farmland 1 ns	m1n	0.750000
multi-res taxable farmland 1 ep	m1ep	0.750000
multi-res taxable farmland 1 es	m1es	0.750000
multi-res taxable farmland 1 fp	m1fp	0.750000
multi-res taxable farmland 1 fs	m1fs	0.750000
multi-res taxable farmland 2 ep	m4ep	1.709600
multi-res taxable fp	mtfp	1.703743
multi-res taxable fs	mtfs	1.703743
multi-res taxable ep	mtep	1.703743
multi-res taxable es	mtes	1.703743
multi-res taxable n	mtn	1.703743
pipeline taxable	ptn	1.713000
res/farm taxable 1 fp	r1fp	0.750000
res/farm taxable 1 fs	r1fs	0.750000
res/farm taxable farmland 1 ep	r1ep	0.750000
res/farm taxable farmland 1 es	r1es	0.750000
res/farm taxable farmland 2 ep	r4ep	1.000000
res/farm taxable -hydro fp	rhfp	1.000000
res/farm taxable-hydro fs	rhfs	1.000000
res/farm taxable-hydro ep	rhep	1.000000
res/farm taxable-hydro es	rhes	1.000000
res/farm taxable fp	rtfp	1.000000

SCHEDULE "A" CONTINUED
By-law No.
MUNICIPAL TAX RATIOS

COLUMN 1	COLUMN 2	COLUMN 3
ABBREVIATED RATEABLE PROPERTY DESCRIPTION	CODE	YEAR 2024 TAX RATIOS
res/farm taxable fs	rfs	1.000000
res/farm taxable ns	rtn	1.000000
res/farm taxable ep	rtep	1.000000
res/farm taxable es	rtes	1.000000
shopping centre taxable	stn	1.910000
shopping centre excess land	sun	1.910000
managed forest taxable fp	tftp	0.250000
managed forest taxable fs	tffs	0.250000
managed forest taxable ep	ttep	0.250000
managed forest taxable es	ttes	0.250000
Landfill taxable	ht	3.425937
New multi-residential taxable	nt	1.000000

**SCHEDULE “B”
By-law No.**

**Definitions of
Realty Tax Classes and Realty Tax Qualifiers (Taxable/PIL) Under OFAS**

Realty Tax Class (RTC)	Description	Realty Tax Qualifier (RTQ)	Description
A	Theatre	A	Taxable: General Vacant Land
C	Commercial	B	Taxable: General Excess Land
D	Office Building	D	Taxable: Education Only
E	Exempt	F	Payment-In-Lieu: Full
F	Farm	G	Payment-In-Lieu: General
G	Parking Lot	H	Taxable: Shared Payment-in-Lieu
I	Industrial	J	Taxable: Vacant Land, Shared Payment-in-Lieu
L	Large Industrial	K	Taxable: Excess Land, Shared Payment-in-Lieu
M	Multi-Residential	M	Taxable: General
N	New Multi-Residential	P	Taxable Tenant of Province
O	Other	Q	Payment-in-Lieu: Full Excess Land, Taxable Tenant of Province
P	Pipeline	T	Taxable: Full
Q	Professional Sports Facility	U	Taxable: Excess Land
R	Residential	V	Payment-in-Lieu: Full Excess Land
S	Shopping Centre	W	Payment-In-Lieu: General Excess Land
T	Managed Forest	X	Taxable: Vacant Land
U	Utility Transmission / Distribution	Y	Payment-In-Lieu: Full Vacant Land
W	Railway Right-of-Way	Z	Payment-In-Lieu: General Vacant Land
H	Landfill	0, 1	Taxable: Farmland 1
		2	Payment-In-Lieu: Full, Farmland 1
		3	Payment-In-Lieu: General, Farmland 1
		4	Taxable: Farmland II
		5	Payment-In-Lieu: Full, Farmland II
		6	Payment-In-Lieu: General, Farmland II
		7	Taxable commercial small scale on farm

Note that each RTC will be applied in combination with an appropriate RTQ.

All Realty Tax Classes and Realty Tax Qualifiers are letters or numbers.

Where there is more than one Realty Tax Class or Realty Tax Qualifier in a column they are separated by a comma.

APPENDIX "B"

Bill No.
2024

By-law No.

A by-law levying tax rates for property classes in 2024.

WHEREAS subsection 291(1) of the Municipal Act, 2001 provides that a municipality may prepare and adopt a budget covering a period of two to five years in the first year to which the budget applies or in the year immediately preceding the first year to which the budget applies;

AND WHEREAS subsection 284.16(1) of the Municipal Act, 2001 provides that the powers and duties of a municipality with respect to proposing and adopting a budget are assigned to the head of council of the municipality;

AND WHEREAS the Mayor prepared a proposed multi-year budget for the years 2024-2027 for The Corporation of the City of London on January 31, 2024 and presented it to members of Council, the Clerk and made it available for the public;

AND WHEREAS the proposed budget was deemed adopted by the municipality on March 1, 2024;

AND WHEREAS the budget for 2024 provided that \$812,742,626 would be raised on all rateable property in the local municipality by its general local municipality levy;

AND WHEREAS subsection 312(2) of the Municipal Act, 2001 provides that for the purposes of raising the general local municipality levy, a local municipality shall, each year pass a by-law levying a separate tax rate, as specified in the by-law, on the assessment in each property class in the local municipality rateable for local municipality purposes;

AND WHEREAS subsection 307(1) of the Municipal Act, 2001 provides that all taxes shall, unless expressly provided otherwise, be levied upon the whole of the assessment for real property or other assessments made under the Assessment Act according to the amounts assessed and not upon one or more kinds of property or assessment or in different proportions;

AND WHEREAS the Municipal Council has deemed it appropriate to establish a Multi-Year Budget for The Corporation of the City of London for the period 2024 to 2027;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. In accordance with section 312(2) of the *Municipal Act, 2001*, the Municipal Council of The Corporation of the City of London enacts a general local municipality levy for 2024 in the amount of \$812,742,626.

2024 Tax Rates

2. The tax rates set out in column 4 of Schedule "A" of this by-law are hereby levied in 2024 for the 2024 general local municipality levy on all of the assessment.

Definitions- Realty Tax Classes and Tax Qualifiers

3. For purposes of this by-law, Realty Tax Classes and Realty Tax Qualifiers (Taxable/PIL) under the Ontario Fair Assessment System (OFAS) are defined in Schedule "B" of this by-law and are indicated in the first two characters of the codes in column 2 of Schedule "A" of this by-law. Where there is more than one code in column 2 of Schedule "A" the codes are separated by a comma.

Tax on Certain Institutions

4. A tax or other amount payable on the 1st day of July, 2024, is hereby levied upon every university, college, institution, school, hospital or other facility described in section 323 of the Municipal Act, 2001, as amended, at the maximum rate for each student, place or bed, as the case may be, under that section.

Administration of By-law

5. The administration of this by-law is assigned to the City Treasurer who is hereby authorized and directed to do such things as may be necessary or advisable to carry out fully the provisions of this by-law.

6. This by-law comes into force and effect on the day it is passed.

PASSED in Open Council on April 23, 2024

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading -
Second Reading -
Third Reading -

SCHEDULE "A"
By-law No.

Municipal Tax Rates

COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4
ABBREVIATED RATEABLE PROPERTY DESCRIPTION	CODE	YEAR 2024 TAX RATIOS	YEAR 2024 GENERAL TAX RATE
com taxable farmland 1	c1n	0.750000	1.065095%
com taxable farmland 2	c4n	1.910000	2.712441%
commercial small scale on farm business	c7n, c0n	1.910000	2.712441%
commercial taxable - hydro	chn	1.910000	2.712441%
commercial taxable vacant -hydro	cjn	1.910000	2.712441%
commercial taxable - excess - hydro	ckn	1.910000	2.712441%
commercial taxable tenant of Province	cpn	1.910000	2.712441%
commercial taxable	ctn	1.910000	2.712441%
commercial taxable excess land	cun	1.910000	2.712441%
commercial taxable vacant land	cxn	1.910000	2.712441%
office bldg taxable - hydro	dhn	1.910000	2.712441%
office bldg taxable	dtn	1.910000	2.712441%
office bldg taxable excess land	dun	1.910000	2.712441%
farmland taxable fp	ftfp	0.102820	0.146017%
farmland taxable fs	ffs	0.102820	0.146017%
farmland taxable no support	ftn	0.102820	0.146017%
farmland taxable ep	ftep	0.102820	0.146017%
farmland taxable es	ftes	0.102820	0.146017%
parking lot taxable	gtm	1.910000	2.712441%
industrial taxable farmland 1	i1n	0.750000	1.065095%
industrial taxable farmland 2	i4n	1.910000	2.712441%
industrial taxable - hydro	ihn	1.910000	2.712441%
industrial generating station	isn	1.910000	2.712441%
industrial taxable - hydro- el	ikn	1.910000	2.712441%
industrial taxable	itn	1.910000	2.712441%
industrial taxable excess land	iun	1.910000	2.712441%
industrial taxable vacant land	ixn	1.910000	2.712441%
large industrial taxable	Ltn	1.910000	2.712441%
large industrial excess land	Lun	1.910000	2.712441%
multi-res taxable farmland 1 ns	m1n	0.750000	1.065095%
multi-res taxable farmland 1 ep	m1ep	0.750000	1.065095%
multi-res taxable farmland 1 es	m1es	0.750000	1.065095%
multi-res taxable farmland 1 fp	m1fp	0.750000	1.065095%
multi-res taxable farmland 1 fs	m1fs	0.750000	1.065095%
multi-res taxable farmland 2 ep	m4ep	1.703743	2.419530%
multi-res taxable fp	mtfp	1.703743	2.419530%
multi-res taxable fs	mtfs	1.703743	2.419530%
multi-res taxable ep	mtep	1.703743	2.419530%
multi-res taxable es	mtes	1.703743	2.419530%
multi-res taxable n	mtn	1.703743	2.419530%
new multi-res taxable ntfp	ntfp	1.000000	1.420126%
new multi-res taxable ntfs	ntfs	1.000000	1.420126%
new multi-res taxable ntep	ntep	1.000000	1.420126%
new multi-res taxable ntes	ntes	1.000000	1.420126%
new multi-res taxable ntn	ntn	1.000000	1.420126%
pipeline taxable	ptn	1.713000	2.432676%
res/farm taxable 1 fp	r1fp	0.750000	1.065095%
res/farm taxable 1 fs	r1fs	0.750000	1.065095%
res/farm taxable farmland 1 ep	r1ep	0.750000	1.065095%
res/farm taxable farmland 1 es	r1es	0.750000	1.065095%

**SCHEDULE "A" Cont'd
By-law No.**

COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4
ABBREVIATED RATEABLE PROPERTY DESCRIPTION	CODE	YEAR 2024 TAX RATIOS	YEAR 2024 GENERAL TAX RATE
res/farm taxable farmland 2 ep	r4ep	1.000000	1.420126%
res/farm taxable-hydro fp	rhfp	1.000000	1.420126%
res/farm taxable-hydro fs	rhfs	1.000000	1.420126%
res/farm taxable-hydro ep	rhep	1.000000	1.420126%
res/farm taxable-hydro es	rhes	1.000000	1.420126%
res/farm taxable fp	rftp	1.000000	1.420126%
res/farm taxable fs	rdfs	1.000000	1.420126%
res/farm taxable ns	rtn	1.000000	1.420126%
res/farm taxable ep	rtep	1.000000	1.420126%
res/farm taxable es	rtes	1.000000	1.420126%
shopping centre taxable	stn	1.910000	2.712441%
shopping centre excess land	sun	1.910000	2.712441%
managed forest taxable fp	tftp	0.250000	0.355032%
managed forest taxable fs	tdfs	0.250000	0.355032%
managed forest taxable ep	ttep	0.250000	0.355032%
managed forest taxable es	tttes	0.250000	0.355032%
landfill taxable	ht	3.425937	4.865262%

SCHEDULE "A"
TAX RATIOS FOR MUNICIPALITIES IN BMA STUDY WITH POPULATIONS
OVER 110,000

Municipality with > 110,000 Population in 2023 BMA Study	Multi-Residential Tax Ratio	Commercial Tax Ratio (Residual)	Industrial Tax Ratio (Residual)	Industrial Tax Ratio (Large)	Average of Large and Residual Industrial Tax Ratios
Barrie	1.0000	1.4331	1.5163	1.5163	1.5163
Brampton	1.7050	1.2971	1.4700	1.4700	1.4700
Durham	1.8665	1.4500	2.0235	2.0235	2.0235
Greater Sudbury	1.9650	1.9120	3.5365	4.1051	3.8208
Guelph	1.7863	1.8400	2.2048	2.2048	2.2048
Halton	2.0000	1.4565	2.0907	2.0907	2.0907
Hamilton	2.2174	1.9800	3.1025	3.6381	3.3703
Kingston	1.7000	1.9800	2.6300	2.6300	2.6300
London	1.7096	1.9100	1.9100	1.9100	1.9100
Mississauga	1.2656	1.5170	1.6150	1.6150	1.6150
Niagara	1.9700	1.7349	2.6300	2.6300	2.6300
Ottawa	1.4032	1.9231	2.5586	2.1972	2.3779
Thunder Bay	1.9900	1.9800	2.3708	2.8820	2.6264
Toronto	1.9635	2.5818	2.5130	2.5130	2.5130
Waterloo	1.9500	1.9500	1.9500	1.9500	1.9500
Windsor	2.0000	2.0140	2.3158	2.9328	2.6243
York	1.0000	1.3321	1.6432	1.6432	1.6432
Average	1.7348	1.7819			2.2951
Median	1.8665	1.9100			2.2048
Minimum	1.0000	1.2971			1.4700
Maximum	2.2174	2.5818			3.8208
Provincial Threshold	2.0000	1.9800	2.6300	2.6300	2.6300
London Compared to Median	-8.4%	0.0%			-13.4%
London Compared to Average	-1.5%	7.2%			-16.8%
change in group averages since 2006	-22.99%	-6.03%			-10.61%

decreases in ratios
increases in ratios



SCHEDULE "B"

2024 TAX POLICY ALTERNATIVE TAX RATIO OPTIONS FOR CONSIDERATION

	Recommendation: Equalize average municipal tax increase in residential and multi-residential property classes - no change to other tax ratios	Alternative A: No change to tax ratios alternative - keep tax ratios in 2024 same as 2023	Alternative B: Equalize average municipal tax increase in residential, and multi-residential classes and reduce commercial/industrial tax ratios to 1.900000	Alternative C: Reduce commercial and industrial property class tax ratios to average commercial rate of 1.7819; equalize average increase in residential and multi-residential	Alternative D: Reduce only the multi-residential tax ratio to 1.5 and equalize municipal increase in residential and all other classes
future tax policy direction	Direction #4	Direction #1	Direction #3	Direction #3	Direction #4
average tax increases in property classes including education	residential = 7.66% farm = 6.66% multi-residential = 7.66% commercial = 6.33% industrial = 6.33% new multi-res = 7.66 %	residential = 7.65% farm = 6.65% multi-residential = 7.99% commercial = 6.32% industrial = 6.32% new multi-res = 7.65%	residential = 7.78% farm = 6.77% multi-residential = 7.78% commercial = 6.00% industrial = 6.00% new multi-res = 7.78%	residential = 9.19% farm = 7.99% multi-residential = 9.19% commercial = 2.12% industrial = 2.12% new multi-res = 9.19%	residential = 8.27% farm = 7.20% multi-residential = (3.89%) commercial = 6.83% industrial = 6.83% new multi-res = 8.27%
average tax increases in property classes excluding education	residential = 8.56% farm = 8.56% multi-residential = 8.19% commercial = 8.56% industrial = 8.56% new multi-res = 8.56%	residential = 8.54% farm = 8.54% multi-residential = 8.54% commercial = 8.54% industrial = 8.54% new multi res = 8.54%	residential = 8.69% farm = 8.69% multi-residential = 8.31% commercial = 8.12% industrial = 8.12% new multi-res = 8.69%	residential = 10.26% farm = 10.26% multi-residential = 9.82% commercial = 2.87% industrial = 2.87% new multi-res = 10.26%	residential = 9.24% farm = 9.24% multi-residential = (4.15%) commercial = 9.24% industrial = 9.24% new multi-res = 9.24%
tax ratios used	residential = 1.000000 farm = 0.102820 multi-residential = 1.703743 commercial = 1.910000 industrial = 1.910000 pipelines = 1.713000 managed forests = 0.250000	residential = 1.000000 farm = 0.102820 multi-residential = 1.709600 commercial = 1.910000 industrial = 1.910000 pipelines = 1.713000 managed forests = 0.250000	residential = 1.000000 farm = 0.102820 multi-residential = 1.703670 commercial = 1.900000 industrial = 1.900000 pipelines = 1.713000 managed forests = 0.250000	residential = 1.000000 farm = 0.102820 multi-residential = 1.702680 commercial = 1.781900 industrial = 1.781900 pipelines = 1.713000 managed forests = 0.250000	residential = 1.000000 farm = 0.102820 multi-residential = 1.500000 commercial = 1.910000 industrial = 1.910000 pipelines = 1.713000 managed forests = 0.250000

- recommended ratio for Landfill property class under all options is 3.425937
- recommended ratio for New Multi-residential property class under all options is 1.000000

SCHEDULE "C"
MUNICIPAL TAX IMPACT BY PROPERTY CLASS FOR 2024
LEVY CHANGE AND NO CHANGE IN TAX RATIOS

	2023 Tax Rates on 2023 Year End Assessments	2024 Taxes (2024 Approved Budget)	Tax Change From Reassessment Phase-in and Budget	Tax Ratios Used
Summary by Class				
Commercial	\$104,572,804	\$113,502,362	8.54%	1.910000
Office Building	\$8,864,234	\$9,621,159	8.54%	1.910000
Farmland	\$645,944	\$701,100	8.54%	0.102820
Industrial	\$10,842,887	\$11,768,770	8.54%	1.910000
Large Industrial	\$7,311,011	\$7,935,304	8.54%	1.910000
Multi-residential	\$39,296,412	\$42,651,956	8.54%	1.709600
New Multi-residential	\$6,237,321	\$6,769,931	8.54%	1.000000
Pipeline	\$2,548,898	\$2,766,551	8.54%	1.713000
Residential	\$528,028,604	\$573,117,385	8.54%	1.000000
Shopping Centre	\$40,447,357	\$43,901,190	8.54%	1.910000
Managed Forest	\$6,374	\$6,919	8.54%	0.250000
	\$748,801,847	\$812,742,626	8.54%	
Summary by Class				
Commercial Including Optional Classes	\$153,884,396	\$167,024,710	8.54%	1.910000
Farmland	\$645,944	\$701,100	8.54%	0.102820
Industrial Including Optional Classes	\$18,153,898	\$19,704,074	8.54%	1.910000
Multi-residential	\$39,296,412	\$42,651,956	8.54%	1.709600
New Multi-residential	\$6,237,321	\$6,769,931	8.54%	1.000000
Pipeline	\$2,548,898	\$2,766,551	8.54%	1.713000
Residential	\$528,028,604	\$573,117,385	8.54%	1.000000
Managed Forest	\$6,374	\$6,919	8.54%	0.250000
	\$748,801,847	\$812,742,626	8.54%	

SCHEDULE "D"

SHIFT IN TAX BURDEN - UNWEIGHTED TO WEIGHTED RESIDENTIAL ASSESSMENT FOR MUNICIPALITIES IN BMA STUDY WITH POPULATIONS OVER 100,000

Municipality with > 110,000 Population in 2023 BMA Study	Residential Unweighted Assessment	Residential Weighted Assessment	Change % Unweighted to Weighted	Implied Adjustment to Residential Taxes
Toronto	74.7%	55.7%	-25.4%	34.1%
Windsor	75.6%	60.2%	-20.4%	25.6%
Greater Sudbury	79.1%	64.2%	-18.8%	23.2%
Cambridge	75.4%	62.1%	-17.6%	21.4%
Thunder Bay	79.4%	65.8%	-17.1%	20.7%
Kingston	73.4%	61.3%	-16.5%	19.7%
Brantford	75.6%	63.2%	-16.4%	19.6%
Waterloo	74.6%	62.8%	-15.8%	18.8%
Guelph	78.8%	66.7%	-15.4%	18.1%
Ottawa	75.1%	63.8%	-15.0%	17.7%
Kitchener	79.1%	67.2%	-15.0%	17.7%
Hamilton	82.3%	70.6%	-14.2%	16.6%
St. Catherines	79.2%	68.7%	-13.3%	15.3%
London	80.4%	70.2%	-12.7%	14.5%
Mississauga	73.6%	65.3%	-11.3%	12.7%
Burlington	80.3%	71.9%	-10.5%	11.7%
Oshawa	80.7%	72.8%	-9.8%	10.9%
Oakville	86.4%	80.0%	-7.4%	8.0%
Barrie	77.3%	71.7%	-7.2%	7.8%
Milton	83.1%	77.4%	-6.9%	7.4%
Vaughan	80.3%	75.0%	-6.6%	7.1%
Whitby	87.8%	82.3%	-6.3%	6.7%
Brampton	82.1%	77.2%	-6.0%	6.3%
Markham	86.7%	83.1%	-4.2%	4.3%
Average				15.2%
Median				15.9%
Maximum				34.1%
Minimum				4.3%
London Compared to Median				-8.8%
London Compared to Average				-4.7%

If all non-residential classes had a ratio of 1.0, residential taxes would increase by 14.5%

Residential unweighted assessment does not reflect any weighting of various classes with tax ratios.

Residential weighted assessment reflects the weighting of non-residential assessment with tax ratios.