TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON APRIL 3, 2018
FROM:	ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	YEAR 2018 TAX POLICY

RECOMMENDATION

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the following actions be taken with respect to property taxation for 2018:

a) the Civic Administration BE DIRECTED to prepare a proposed by-law for introduction and enactment at the Municipal Council meeting to be held on April 10, 2018, reflective of committees recommendation in accordance with Sub-sections 308(4) and 308.1(4) of *the Municipal Act, 2001*, to set tax ratios in the various property classes in keeping with the option selected by the Municipal Council from the attached Schedule "B"; it being noted that Appendix "A" reflects option A and Appendix "B" reflects option B, recognizing that either option A or option B is recommended by Finance staff;

b) the Civic Administration BE DIRECTED to bring forward a proposed by-law (appendix C) for introduction and enactment at the Municipal Council meeting to be held on April 10, 2018 to fully utilize options available in 2018 to exclude properties in capped property classes which have reached current value assessment tax levels or higher in 2017 from being capped again in 2018 and future years;

c) the Civic Administration BE DIRECTED to bring forward a proposed by-law (appendix D) for introduction and enactment at the Municipal Council meeting to be held on April 10, 2018 to initiate a 4 year phase out of capping for any of the non-residential property classes where London is eligible for such option and exclude vacant land from the capping phase-out eligibility criteria where all properties must be within 50% of CVA level taxes;

e) the Civic Administration BE DIRECTED to bring forward a proposed by-law (appendix E) for introduction and enactment at the Municipal Council meeting to be held on April 10, 2018 to limit capping protection only to reassessment related changes prior to 2017 and that reassessment changes in capped classes thereafter would not be subject to the cap;

f) the Civic Administration BE DIRECTED to bring forward a proposed by-law (appendix F) for introduction and enactment at the Municipal Council meeting to be held on April 10, 2018 to adopt the capping formulae for the commercial, industrial and multi-residential property classes as described in detail in this report;

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PREVIOUS REPORTS PERTINENT TO THIS MATTER

Corporate Services Committee, April 25, 2017, Item # 2, Year 2017 tax policy

Corporate Services Committee, March 28, 2017, Item # 3, Vacant Unit Rebate and Vacant/Excess Land Subclass Tax Reductions

Corporate Services Committee, September 12, 2017, Item # 3, By-law to Establish Tax Ratio for New Multi-residential Property Class

Corporate Services Committee, November 21, 2017, Item # 4, Vacant Unit Rebate and Vacant/Excess Land Subclass Tax Reduction

Corporate Services Committee, January 23, 2018, Item #7, Assessment Growth for 2018, Changes in Taxable Phase-in, Values and Shifts in Taxation as a Result of Reassessment

Corporate Services Committee, January 19, 2016, Item # 3, Future Tax Policy – Possible Directions

Finance and Administration Committee, September 28, 2011, Future Tax Policy

BACKGROUND

Tax Ratios for 2018 Taxation – (Recommendation a)

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 Councils. Under subsection 308(4) of the *Municipal Act, 2001* all single tier municipalities are required to pass a by-law in each year to establish tax ratios for the year.

History of Tax Ratio Setting Restrictions

Beginning in the year 2001, the Province established threshold tax ratios for three property classes - commercial, industrial and multi-residential. At the time, the Province indicated that these threshold ratios represented the Provincial average in each class. For 2017 the multi-residential threshold ratio was reduced from 2.74 to 2.00. Under provisions of the *Municipal Act* and related Regulations, municipalities were not permitted for the year 2001 or subsequent years to impose a general municipal levy increase on a property class which had a ratio exceeding the Provincial threshold. Beginning in 2004, this restriction was modified somewhat to permit levy increases at half the residential rate in property classes with tax ratios above Provincial thresholds. The Province has advised that this flexibility will be provided to municipalities again for 2018 taxation except in the case of the multi-residential class where the tax ratio is greater than 2.00.

London's Tax Ratios, Provincial Thresholds and Municipal Comparisons

In reviewing tax policy for 2018, it should be noted that none of the property classes in the City of London 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 2001 taxation. At the time of the last reassessments in 2006, 2009 and 2013 Council maintained the policy of not permitting tax ratios in any property class to exceed Provincial thresholds.

The tax ratios in effect for the year 2017 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 2017 Tax Ratio	Provincial Threshold/Average (O.Reg. 73/03)	Provincial Targets/Allowable Ranges (O.Reg. 386/98)
Commercial	1.950000	1.98	0.6 to 1.1
Industrial	1.950000	2.63	0.6 to 1.1
Multi-Residential	1.847000	2.00	1.0 to 1.1
Pipeline	1.713000	N/A	0.6 to 0.7
Farm	0.139500	N/A	N/A
Residential	1.000000	N/A	N/A

Schedule "D" attached provides comparative information on how different municipalities tax the various different major property classes. The information from Schedule "D" comes from the 2017 BMA Municipal Study and includes all municipalities with populations greater than 100,000. 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. The Schedule indicates that the theoretical adjustment for the City of London would be at the median for the group.

Tax Ratios –Commercial and Industrial (Recommendation a)

Schedule "A" attached, summarizes the tax ratios for all municipalities with populations greater than 100,000 included in the 2017 Municipal Study prepared by BMA Management Consulting Inc. The attached 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 year period the, City adjusted all the main non-residential tax ratios to a level of 1.95. Both the Region of Waterloo and the City of London had uniform ratios of 1.95 for all these property classes in 2015. In 2016 and 2017, the City decreased the multi-residential ratio to equalize the municipal tax increase in the residential and multi-residential property classes.

For 2018, it is recommended that Commercial and Industrial tax ratios continue to be maintained at a uniform level. It would seem there is no logical justification for taxing industrial properties at higher rates than commercial properties as was a past practice. The Province has apparently accepted the validity of this position in the setting of education tax rates for commercial and industrial properties. For the first time in 2017, the Province established equal education property tax rates for commercial and industrial properties and has continued this practice in 2018.

For 2018, the commercial and industrial tax ratios could be set at a level to equalize municipal tax increases in the commercial and residential property classes. This level is indicated in option A on schedule "B" attached. This option would result in the commercial and industrial ratios being set at what is generally described as a revenue neutral level. If no ratio adjustment is made in the commercial class the average municipal tax increase in the class would be 6.5% as indicated on Schedule "C". Schedule "A" indicates that the City of London commercial tax ratio in 2017 was above the average level although close to the median level for the group.

Lowering the commercial/industrial tax ratio could potentially provide greater flexibility at the time of a future reassessment where there may be a shift in taxation towards the residential property class. The next reassessment is scheduled for 2021. Under current legislation if the commercial tax ratio is increased beyond 1.98 a portion of the tax levy increase on the commercial property class is restricted and transferred to other property classes including residential. Where the tax ratio is below 1.98 the municipality would have flexibility to prevent tax shifts towards the residential class. The greater the tax ratio is below 1.98 the greater would be the flexibility. Because of the pattern of the four year assessment cycle (2017-2020) Council should have the ability to consider making option A adjustments in 2019 and 2020 if it chose option B on schedule B in 2018. Council could consider lowering the commercial and industrial ratios to a level at or below the average shown on Schedule A in 2019 and 2020.

The effect on economic development is an important consideration in the review of tax policy in the commercial and industrial property classes as well as other property classes. Schedule "H" evaluates and rates various different economic development strategies. The schedule indicates that tax policy may have significant advantages over other economic development strategies.

Tax Ratios – Multi-residential Property Class (Recommendation a)

Schedule "A" indicates 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 in 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 is in place for 2018.

Since the year 2000, the City has decreased its multi-residential tax ratio from 2.3852 to 1.847000 in 2017. 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. In 2016 and 2017, the City 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.

For 2018, it is recommended that Council adopt the same policy as adopted in 2016 and 2017 and in some previous years to equalize municipal tax increases in the multi-residential and residential property classes. This approach is reflected in option A and option B on Schedule "B", which results in a multi-residential tax ratio of 1.795800.

Tax Ratios – New Multi-residential Property Class (Recommendation a)

On July 5th 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 2018. There was no property in the New Multi-residential property class on the assessment roll provided to the City of London at the end of 2017.

Farm Property Class Tax Ratio (Recommendation a)

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 Section, the ratio is automatically reset to .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 .25 maximum in the legislation. We recommend continuation of this policy for 2018. This policy will result in the tax ratio indicated on Schedule "B" in the farm class in 2018 of 0.118030. The 2017 ratio was 0.1395.

In December 2017, the Ministry of Finance issued a letter indicating that for 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 writing this report the regulation authorizing this program was not available and for this reason exact details are uncertain. Participation in the program is not recommended as it would involve an extremely small number of property owners and tax mitigation is already being provided to farm land property owners through the establishment of tax ratios. Council can reconsider this issue in 2019 after a regulation has been published and more information is available.

Landfill Property Class Tax Ratio (Recommendation a)

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 2018 is 2.459410. (Revenue neutral ratio x 1.05). The ratio established in 2017 was 2.295230.

Pipeline Tax Ratio (Recommendation a)

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 2018.

Summary of Tax Ratio Recommendations for 2018 (Recommendation a)

In summary, for 2018 we are recommending council select option A or option B as shown on Schedule “B”. Schedule “B” indicates the alternative tax ratios and the <u>average</u> % increases in taxes in the various property classes both including and excluding the education component of the property tax bill.

Property Tax Rate Calculation Adjustment

In 2018, 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. This option was mentioned in a letter to municipal treasurers from the Ministry of Finance dated December 21st 2016 and December 22nd 2017.

Option for elimination or phase out of vacant/excess land subclass tax reduction

In 2017 the Minister of Finance announced that he was prepared to permit Municipalities to end vacancy rebate programs and the subclass reductions for vacant and excess land in the commercial and industrial property classes. The legal mechanism for doing this is a regulation issued by the Minister. Many municipalities including London have taken action to phase-out vacancy rebate programs. Very few municipalities at this point, however, have taken action to phase-out or eliminate the vacant/excess land subclass reduction. The reduction amounts to 30% of the total taxes that would otherwise be applicable. This issue was addressed in a report to Corporate Services Committee in November 2017.

The recommendation for the vacant/excess land subclass tax reduction at the time of the report to Corporate Services Committee in November 2017 was that no action be taken until a later date when it is clear as to what decisions are being made in other municipalities in Ontario with respect to this issue. At this point in time we would recommend deferring any decision until 2019 when more information is available as to how other municipalities are approaching this issue. At the present time there is also the added complication that we understand there will be no regulations issued by the Minister based on new requests until after the provincial election scheduled in June. The City ,however, will be issuing its 2018 final tax bills prior to the election date.

Ongoing Reductions in Business Education Taxes

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 resolution, along with a letter from the Mayor went to the then Minister of Finance, Greg Sorbara in April 2005. After a letter from the Minister in June 2005, the Mayor followed up with a second letter in February 2006 to a new Minister of Finance – Dwight Duncan. In 2007, Dwight Duncan announced that major tax reform would occur in the area of education property taxes along the lines requested by the City beginning in 2008 and would be phased-in over the seven year period ending in 2014. As a result of this major reform, the Province had indicated that by the year 2014 when the phase-in was complete, education property taxes in the City of London would be reduced by $33.6 million each and every year into the future from what they otherwise would have been.

In the Ontario budget introduced in the legislature on March 27, 2012, however, it was announced that business education property tax cuts previously scheduled for 2013 and 2014 would be deferred until 2017-2018 after Ontario is returned to a balanced budget. It is estimated that the reductions that the 2012 Provincial budget deferred would have been in excess of 10 million dollars in the City of London and represent about 19% of the education property taxes in the commercial and industrial property classes in the City. This issue is addressed in a separate report to the Corporate Services Committee on provincial education tax rates for 2018 and a council resolution to the Minister of Finance has been recommended.

Utilizing Options Available to Bring an End to Capping Tax Increases and Clawing Back Tax Decreases in the Commercial, Industrial and Multi-Residential Property Classes (Recommendations b, c, d, and e)

Since major Province wide tax reform began in 1998, the Province has mandated a complex system of capping tax increases and clawing back tax decreases in the commercial, industrial and multi-residential property classes. We have long believed the entire system was unfair to taxpayers, damaging to economic development and administratively onerous. Based on consultation with municipal representatives including the City of London during 2008, the Province provided increased flexibility under the business tax capping program for 2009 and future years. It appears the Province decided to provide this very significant increase in flexibility to municipalities because of the new tax mitigation provided by the four year phase-in of assessment values beginning with the reassessment for 2009 taxation.

Beginning in 2009, municipalities had options to permanently remove properties from the capping and claw-back system once they have reached their CVA (current value assessment) level taxes. Municipalities can have these options apply to all capped property classes or limit the options to individual capped classes. For 2018, this means that any property which had paid CVA taxes or higher (i.e. clawed back) in 2017 can be excluded from having a tax increase capped in 2018. At the same time, a property that had a tax increase capped in 2017 cannot have a tax decrease clawed back in 2018 if the options are chosen. Preliminary calculations indicate continuing to fully utilize the options available will significantly reduce the capping of tax increases and clawing back of tax decreases.

Beginning in 2016 and for future years where there are no properties taxed at less than 50% of CVA levels, a municipality may enter a 4 year phase out program to end capping from reassessment related changes prior to 2017. London was eligible for this program in the industrial class for 2016. In 2018, London is eligible in the Commercial and Multi-residential property classes.

Beginning in 2017, the Province is providing new flexibility to exclude vacant land from the phase-out eligibility criteria for capping of reassessment related changes prior to 2017. In addition beginning in 2017 and for future years, municipalities have the option to limit capping protection only to reassessment changes prior to 2017. For municipalities that select this option, reassessment related increases, beginning in 2017, would not be subject to the cap. These options would be implemented through municipal by-laws.

We recommend that Council take advantage of all opportunities to bring the capping of tax increases and the clawing back of tax decreases to an end as soon as possible. In 2017, the City utilized all options available to exclude properties from future capping and no problems were encountered. The continued implementation of all available options to end capping in 2018 will require Council to pass by-laws in accordance with the Municipal Act, 2001. We believe the continuation of the capping program is unnecessary because of the 4 year phase in of assessed values that began in 2009. Capping can create a situation where some properties never pay their share of the levy in the property class based on market values and uniform tax rates for the various property classes.

By-law to Set a Formula for Calculating Caps in the Commercial, Industrial and Multi-Residential Property Classes (Recommendation f)

Since 2008, Council has adopted several options permitted by Section 329.1 to reduce the amount of capping of tax increases and clawing back of decreases in the commercial, industrial and multi-residential property classes. The selected options were as follows:

- capping at 10% of previous years taxes instead of the 5% minimum;
- utilizing the option of 10% of previous years CVA taxes where applicable;
- reducing cap adjustments equal to or less than $500 to nil;
- new construction was taxed without any cap adjustment.

The use of all these options significantly reduced the amount of clawing back of decreases as can be seen on Schedules “E” and “F” of this report. No significant problems or issues were encountered by the City Tax Office in past billings as a result of utilizing the above options. The use of these option will expedite the eventual end of the capping and clawing back system as more and more properties reach their CVA level taxes.

It is therefore recommended that a by-law be enacted under section 329.1 of the *Municipal Act*, *2001* for 2018 and subsequent years where applicable, to adopt the capping formula described above.

No By-law recommended to Claw back a Portion of Tax Decreases in Capped Property Classes

For 2018 and future years it is recommended that clawing back a portion of reassessment tax decreases to finance capping of tax increases be discontinued. For 2018 capping of tax increases is confined to the commercial class and amounts to approximately $24,000 in total. This amount can be accommodated in the tax adjustment/write-off accounts in the City’s annual budget.

Phase-In Program for Residential Property Class not recommended

All residential properties in the City of London were reassessed for 2017 taxation based on January 1, 2016 market values. The January 1, 2016 market values are being phased-in over a 4 year period from 2017 to 2020 as required by Provincial legislation. Assessment related tax changes for 2018 occurring in the residential class have been analyzed and compared to the 2013, 2009, 2006, 2004, 2003, 2001 and 1998 reassessments. The results of this analysis are shown on Schedule “G” attached.

Assessment related tax changes exclude tax increases that result from levy increases. The levy increase is imposed in addition to assessment related tax changes (increases and decreases).

As can be seen from Schedule “G”, the amount of assessment related decreases and increases for 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011, 2010 and 2009 are significantly less than the increases and decreases which have occurred in reassessments in the City prior to 2009. The reason for this is that for the first time in 2009, the Province included a phase-in of all reassessment changes on the 2009 assessment roll. This phase-in process will be continued over the period 2017 to 2020. For 2020, residential properties will be valued on the roll at their January 1, 2016 value.

For 1998 and subsequent reassessments up to and including 2013, Council decided that a phase-in under section 318 of the *Municipal Act, 2001* of assessment related tax changes was not necessary. Based on the above data and the fact that the Province has already instituted a four year phase-in of assessment values on the roll, it appears clear that no further tax mitigation in the residential class is necessary.

In summary, based on our analysis of the reassessment data and the existence of a four year phase-in of values on the assessment roll, we believe any additional phase-in of the residential class under section 318 of the *Municipal Act, 2001* is not warranted.

Comments on Unusual Tax Increases after a Reassessment

Whenever a general reassessment occurs, there will always be a small number of large tax increases. Inevitably, when over 100,000 properties are valued, some errors and inaccuracies will occur. If a property is overvalued when a reassessment occurs, the remedy is to contact the Municipal Property Assessment Corporation and have the valuation corrected or appeal the assessment in accordance with the provisions of the Assessment Act.

When a property is undervalued or incorrectly classified to the taxpayers benefit, the taxpayer has no financial incentive to have the error or inaccuracy corrected. The error or inaccuracy will typically be corrected at the next reassessment and surface as an unusually large increase. Focusing on the amount or percentage of the increase obscures the real cause of the tax change (i.e. an inaccuracy in the valuation or classification of the property in the past). Phasing-in or capping taxes in these situations only perpetuates errors and inaccuracies in the assessment system and represents a major departure from the fundamental principle of fairness (i.e. that every property owner within a class pays the same tax rate on the market value of his or her property).

SUMMARY

Schedule "B" attached shows the various options recommended for Council's consideration. The schedule shows the average % increase in each property class both including and not including the education component of the property tax. Schedule "B" also shows the ratios required to implement each identified alternative. The options as recommended in this report are option A or option B.

The percentages shown on Schedule "B" represent **average** tax changes only. In reality virtually no-one is exactly at the average. Most property owners will be slightly above or slightly below the average.

Schedule "A" attached is a very important schedule. It shows how London's tax ratios compare to other municipalities in the Province. Schedule "A" indicates that the City of London currently has tax ratios in place which are competitive with other major cities in Ontario.

A few properties in the commercial property class will still be subject to limitations on year-over-year tax increases and decreases in accordance with Provincial legislation. These limitations, however, would also be subject to options adopted to prevent properties from re-entering the Province's capping and clawing back system in the future as recommended in this report.

PREPARED BY:	**CONCURRED BY:**
JIM LOGAN **DIVISION MANAGER,** **TAXATION AND REVENUE**	**IAN COLLINS** **DIRECTOR, FINANCIAL SERVICES**
RECOMMENDED BY:	
ANNA LISA BARBON **MANAGING DIRECTOR, CORPORATE SERVICES AND** **CITY TREASURER**	

Attachments:

LIST OF ATTACHMENTS

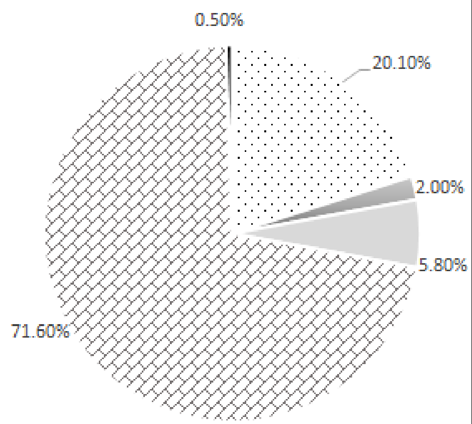
YEAR 2018 TAX POLICY

Schedule A	**Tax Ratios for Municipalities in BMA Study with Populations Over 100,000**
Schedule B	**2018 Tax Policy – Alternative Tax Ratios for Consideration**
Schedule C	**Municipal Tax Impact by Property Class for 2018 Levy Change and No Change in Tax Ratios**
Schedule D	**Shift in Tax Burden – Un-weighted to Weighted Residential Assessment for Municipalities in BMA Study with Populations Over 100,000**
Schedule E	**Claw Back Percentages by Year**
Schedule F	**Cap Adjustments by Year**
Schedule G	**Assessment Related Tax Changes in the Residential Property Class**
Schedule H	**Rating/Evaluation of Economic Development Strategies - Municipalities**

SCHEDULE "A"
TAX RATIOS FOR MUNICIPALITIES IN BMA STUDY WITH POPULATIONS OVER 100,000

Municipality with > 100,000 Population in 2017 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	2.2598	2.2598	2.2598
Greater Sudbury	2.1217	2.0669	4.3110	4.8863	4.5987
Guelph	1.9287	1.8400	2.2048	2.2048	2.2048
Halton	2.0000	1.4565	2.3599	2.3599	2.3599
Hamilton	2.6913	1.9800	3.4414	4.0355	3.7385
Kingston	2.0000	1.9800	2.6300	2.6300	2.6300
London	1.8470	1.9500	1.9500	1.9500	1.9500
Mississauga	1.5888	1.4517	1.5934	1.5934	1.5934
Niagara	2.0000	1.7586	2.6300	2.6300	2.6300
Ottawa	1.4530	1.9260	2.7054	2.3232	2.5143
Thunder Bay	2.5665	2.1444	2.4883	3.3682	2.9283
Toronto	2.7277	2.8828	2.8828	2.8828	2.8828
Waterloo	1.9500	1.9500	1.9500	1.9500	1.9500
Windsor	2.3564	2.0190	2.3200	2.9381	2.6291
York	1.0000	1.1813	1.4169	1.4169	1.4169
Average	1.9296	1.8098			2.4278
Median	1.9500	1.9260			2.3599
Minimum	1.0000	1.1813			1.4169
Maximum	2.7277	2.8828			4.5987
Provinical Threshold	2.0000	1.9800	2.6300	2.6300	2.6300
London Compared to Median	-5.3%	1.2%			-17.4%
London Compared to Average	-4.3%	7.7%			-19.7%
change in group averages since 2006	-14.34%	-4.55%			-5.44%

SCHEDULE "B"
2018 TAX POLICY
ALTERNATIVE TAX RATIO OPTIONS FOR CONSIDERATION



	Option A - equalize average municipal tax increase in residential, farm, multi-residential and commercial property classes	Option B - equalize average municipal tax increase in residential, farm, and multi-residential classes	Option C - reduce all non-residential property classes to equal tax ratio and keep average increase in residential class at 2.7% including education	Option D - reduce only the multi-residential tax ratio to 1.6 and keep average increase in the residential class at 2.7% including education (reduce commercial and industrial tax ratios to equsl level of 1.85)
average tax increases in property classes including education	residential = 2.0% farm = 5.3% multi-residential = 2.6% commercial = 2.9% industrial = -1.2%	residential = 1.1% farm = 4.5% multi-residential = 1.6% commercial = 5.3% industrial = 1.1%	residential = 2.7% farm = 5.9% multi-residential = 3.5% commercial = 1.3% industrial = -2.7%	residential = 2.7% farm = 5.9% multi-residential = -7.1% commercial = 3.0% industrial = -1.0%
average tax increases in property classes excluding education	residential = 2.8% farm = 2.8% multi-residential = 2.8% commercial = 2.8% industrial = -0.8%	residential = 1.7% farm = 1.7% multi-residential = 1.7% commercial = 6.7% industrial = 2.9%	residential = 3.5% farm = 3.5% multi-residential = 3.8% commercial = 0.2% industrial = -3.3%	residential = 3.6% farm = 3.6% multi-residential = -7.7% commercial = 3.0% industrial = -0.6%
tax ratios used	residential = 1.000000 farm = 0.118030 multi-residential = 1.795800 commercial = 1.860000 industrial = 1.860000 pipelines = 1.713000 managed forests = 0.250000	residential = 1.000000 farm = 0.118030 multi-residential =1.795800 commercial = 1.950000 industrial = 1.950000 pipelines = 1.713000 managed forests = 0.250000	residential = 1.000000 farm = 0.118030 multi-residential = 1.800000 commercial = 1.800000 industrial = 1.800000 pipelines = 1.713000 managed forests = 0.250000	residential = 1.000000 farm = 0.118030 multi-residential = 1.600000 commercial = 1.850000 industrial = 1.850000 pipelines = 1.713000 managed forests = 0.250000

- In all the alternatives shown above municipal tax increases for residential and farm property classes have been equalized.
- % calculations above do not include business education tax rate on new construction in commercial and industrial property classes
- recommended ratio for Landfill property class under all options is 2.459410
- recommended ratio for New Multi-residential property class under all options is 1.000000

SCHEDULE "C"
MUNICIPAL TAX IMPACT BY PROPERTY CLASS FOR 2018 LEVY CHANGE AND NO CHANGE IN TAX RATIOS

	2017 Tax Rates on 2017 Year End Assessments	2018 Taxes (2018 Approved Budget)	Tax Change From Reassessment Phase-in and Budget	Tax Ratios Used
Summary by Class				
Commercial	$74,446,858	$78,889,517	5.97%	1.950000
Office Building	$7,736,109	$7,984,207	3.21%	1.950000
Farmland	$511,104	$613,391	20.01%	0.139500
Industrial	$7,230,916	$7,459,490	3.16%	1.950000
Large Industrial	$4,236,819	$4,316,592	1.88%	1.950000
Multi-residential	$32,755,543	$34,209,403	4.44%	1.847000
Pipeline	$2,008,334	$2,043,130	1.73%	1.713000
Residential	$403,697,237	$409,945,339	1.55%	1.000000
Shopping Centre	$31,417,457	$34,068,438	8.44%	1.950000
Managed Forest	$2,446	$2,721	11.26%	0.250000
	$564,042,824	$579,532,227	2.75%	

Summary by Class				
Commercial Including Optional Classes	$113,600,424	$120,942,162	6.46%	1.950000
Farmland	$511,104	$613,391	20.01%	0.139500
Industrial Including Optional Classes	$11,467,736	$11,776,081	2.69%	1.950000
Multi-residential	$32,755,543	$34,209,403	4.44%	1.847000
Pipeline	$2,008,334	$2,043,130	1.73%	1.713000
Residential	$403,697,237	$409,945,339	1.55%	1.000000
Managed Forest	$2,446	$2,721	11.26%	0.250000
	$564,042,824	$579,532,227	2.75%	

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

Municipality with > 100,000 Population in 2017 BMA Study	Residential Unweighted Assessment	Residential Weighted Assessment	% Change	Implied Adjustment to Residential Taxes
Toronto	74.6%	51.2%	-23.4%	45.7%
Thunder Bay	79.0%	62.3%	-16.7%	26.8%
Windsor	74.7%	59.3%	-15.4%	26.0%
Greater Sudbury	81.5%	65.7%	-15.8%	24.0%
Cambridge	75.1%	61.8%	-13.3%	21.5%
Kingston	75.1%	61.9%	-13.2%	21.3%
Hamilton	81.4%	67.4%	-14.0%	20.8%
Ottawa	75.9%	63.2%	-12.7%	20.1%
Guelph	78.4%	65.8%	-12.6%	19.1%
Waterloo	75.1%	63.5%	-11.6%	18.3%
Kitchener	79.7%	67.9%	-11.8%	17.4%
St. Catherines	79.8%	68.8%	-11.0%	16.0%
London	81.5%	70.6%	-10.9%	15.4%
Burlington	79.2%	70.1%	-9.1%	13.0%
Mississauga	72.6%	64.4%	-8.2%	12.7%
Oshawa	79.1%	70.5%	-8.6%	12.2%
Oakville	84.7%	77.7%	-7.0%	9.0%
Whitby	85.5%	79.4%	-6.1%	7.7%
Barrie	76.6%	71.2%	-5.4%	7.6%
Milton	81.7%	76.3%	-5.4%	7.1%
Brampton	80.8%	75.9%	-4.9%	6.5%
Vaughan	78.0%	74.8%	-3.2%	4.3%
Markham	84.3%	82.3%	-2.0%	2.4%
Richmond Hill	88.8%	87.3%	-1.5%	1.7%

If all non-residential classes were at 1, residential taxes would increase by 15.4%

Average	15.7%
Median	15.7%
Maximum	45.7%
Minimum	1.7%

London Compared to Median	-1.7%
London Compared to Average	-1.6%

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

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

SCHEDULE "E"
CLAW BACK PERCENTAGES BY YEAR

	Year	Multi Residential	Commercial	Industrial
Reassessment Year	1998	42.96%	60.88%	40.73%
	1999	29.54%	42.07%	16.47%
	2000	20.16%	25.38%	7.99%
Reassessment Year	2001	65.56%	66.18%	21.18%
	2002	40.89%	58.29%	21.95%
Reassessment Year	2003	48.34%	73.90%	78.54%
Reassessment Year	2004	42.73%	75.18%	63.44%
	2005	24.84%	53.87%	53.23%
Reassessment Year	2006	38.69%	36.71%	33.37%
	2007	36.97%	59.00%	67.51%
	2008	88.84%	42.72%	46.38%
Reassessment Year with Phase in	2009	11.11%	21.46%	20.19%
	2010	10.93%	21.96%	17.36%
	2011	10.78%	6.34%	4.44%
	2012	6.49%	7.46%	5.45%
Reassessment Year with Phase in	2013	25.35%	11.42%	6.69%
	2014	8.53%	18.26%	1.16%
	2015	14.40%	9.52%	0.98%
	2016	5.38%	8.32%	0.00%
Reassessment Year with Phase in	2017	0.00%	8.49%	0.00%

SCHEDULE "F"
CAP ADJUSTMENTS BY YEAR

	Year	Multi Residential	Commercial	Industrial	Total
Reassessment Year	1998	$861,955	$8,161,158	$1,347,038	**$10,370,151**
	1999	$456,005	$6,268,157	$757,655	**$7,481,817**
	2000	$320,089	$5,410,929	$454,271	**$6,185,289**
Reassessment Year	2001	$951,130	$8,745,043	$959,260	**$10,655,433**
	2002	$390,568	$5,818,822	$461,648	**$6,671,038**
Reassessment Year	2003	$725,782	$5,935,519	$1,019,716	**$7,681,017**
Reassessment Year	2004	$833,525	$6,200,165	$1,121,642	**$8,155,332**
	2005	$213,377	$3,302,585	$662,151	**$4,178,113**
Reassessment Year	2006	$414,312	$4,514,056	$506,016	**$5,434,384**
	2007	$175,561	$2,625,310	$351,547	**$3,152,418**
	2008	$147,361	$1,530,497	$263,380	**$1,941,238**
Reassessment Year with Phase in	2009	$49,289	$1,063,691	$186,855	**$1,299,835**
	2010	$34,468	$876,641	$187,789	**$1,098,898**
	2011	$22,117	$583,670	$94,371	**$700,158**
	2012	$12,141	$412,698	$74,571	**$499,410**
Reassessment Year with Phase in	2013	$11,235	$298,044	$47,394	**$356,673**
	2014	$7,075	$209,216	$18,019	**$234,310**
	2015	$5,023	$138,795	$10,170	**$153,988**
	2016	$4,249	$90,398	$0	**$94,647**
Reassessment Year with Phase in	2017	$0	$59,141	$0	**$59,141**

SCHEDULE "G"
ASSESSMENT RELATED TAX CHANGES IN THE RESIDENTIAL PROPERTY CLASS

	2018 Phase-in	2017 Reassessment	2016 Phase-in	2015 Phase-in	2014 Phase-in	2013 Reassessment	2012 Phase-in	2011 Phase-in	2010 Phase-in	2009 Reassessment	2006 Reassessment	2004 Reassessment	2003 Reassessment	2001 Reassessment	1998 Reassessment
# of Assessment Related Tax Decreases	133,416	118,456	97,618	97,796	95,998	69,923	76,549	69,240	61,079	54,704	63,520	61,220	57,887	52,265	39,905
Average Assessment Related Tax Decrease	$58.00	$72.00	$28.00	$31.00	$34.00	$43.00	$26.00	$29.00	$31.00	$41.00	$108.00	$79.00	$72.00	$92.00	$230.00
# of Assessment Related Tax Increases	14,997	27,942	42,552	40,462	39,673	64,536	56,027	61,940	65,042	70,186	54,125	49,262	49,864	49,769	57,307
Average Assessment Related Tax Increase	$75.00	$68.00	$47.00	$49.00	$51.00	$53.00	$24.00	$28.00	$29.00	$32.00	$128.00	$98.00	$84.00	$97.00	$160.00

SCHEDULE "H"
Rating/Evaluation of Economic Development Strategies - Municipalities

Economic Development Issue	Development Charge Exemption	Water Pricing Rate Structure	Community Improvement Plans	Property Tax Ratios
Broad focus on all industry types in London -old and new, large and small	Low	Low	Low	High
Long term time frame in business planning	Low	High or Low depending water consumption of industry type	Low	High for all industry types
Significance in business planning and workforce expansion	High or Low dependent on new building construction	High or Low depending water consumption of industry type	High or Low depending on location	High for all industry types
Effect on on ongoing competitiveness	Low	High or Low depending water consumption of industry type	Low	High for all industry types
Effect on Municipal Capital Financing	Negative	Negative (consumption effect)	negative	Neutral
Impact on Industry retention	Low	High or Low depending water consumption of industry type	Low	High
Promotion of diversification in economic development	Medium to Low	Low	Medium to Low	High (ends bias against industrial development vs. commercial)
Potential for reduction in existing business vacancies in buildings	Low to None	Low to Medium	Medium to Low	High

Additional Information				
Basis of charge	Square metre of gross floor area	Per cubic metre of water usage	Location	Current dollar value of land and building
2017 charge per unit	$257.51/sq.m. commercial -industrial exemption	$2.1214 to $0.8851 in declining blocks for water charge - $1.8854 to $0.7865 in declining blocks for wastewater charge	Various	2.303816%

Strategies described in this table are not alternative strategies.

Each strategy and/or policy stands on its own and should be designed and implemented on logical, equitable principles that are consistent with Council's objectives.

Principles relevant to tax ratio policy are that City should have a competitive property tax system and the system should be equitable and logical.

Only the tax ratio strategy/policy has a broad and long term focus that would apply to all industrial properties in the City and all key sector clusters in the industrial class.

APPENDIX "A"

Bill No.
2018

By-law No.

A by-law setting tax ratios for property classes in 2018.

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:

2018 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 2018 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.

Municipal Option to Apply

3. A single percentage of 30% is hereby adopted in accordance with subsection 313(4) of the Municipal Act, 2001 instead of the percentages set out in paragraphs 2 to 5 of subsection 313(1) for the year 2018 and future years.

Administration of By-law

4. 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

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

PASSED in Open Council on April 10, 2018. .

Matt Brown
Mayor

Catharine Saunders
City Clerk

First Reading – April 10, 2018
Second Reading – April 10, 2018
Third Reading – April 10, 2018

SCHEDULE “A”
By-law No.

MUNICIPAL TAX RATIOS

COLUMN 1 ABBREVIATED RATEABLE PROPERTY DESCRIPTION	COLUMN 2 CODE	COLUMN 3 YEAR 2018 TAX RATIOS
com taxable farmland 1	c1n	0.750000
com taxable farmland 2	c4n	1.860000
commercial taxable – hydro	chn, xhn	1.860000
commercial taxable vacant -hydro	cjn, xjn	1.302000
commercial taxable - excess - hydro	ckn, xkn	1.302000
commercial taxable tenant of Province	cpn, xpn	1.860000
com taxable	ctn, xtn	1.860000
com taxable excess land	cun, xun	1.302000
com taxable vacant land	cxn, xxn	1.302000
office bldg taxable – hydro	dhn	1.860000
office bldg taxable	dtn, ytn	1.860000
office bldg taxable excess land	dun, yun	1.302000
farmland taxable fp	ftfp	0.118030
farmland taxable fs	ftfs	0.118030
farmland taxable no support	Ftn	0.118030
farmland taxable ep	ftep	0.118030
farmland taxable es	ftes	0.118030
parking lot taxable	Gtn	1.860000
industrial taxable farmland 1	i1n	0.750000
industrial taxable farmland 2	i4n	1.860000
industrial taxable – hydro	ihn, Jhn	1.860000
industrial taxable-hydro- excess land	ikn, Jkn	1.302000
industrial taxable	itn, Jtn	1.860000
industrial taxable excess land	iun, Jun	1.302000
industrial taxable vacant land	ixn, Jxn	1.302000
large industrial taxable	Ltn, ktn	1.860000
large industrial excess land	Lun, kun	1.302000
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	1.795800
multi-res taxable fp	mtfp	1.795800
multi-res taxable fs	mtfs	1.795800
multi-res taxable ep	mtep	1.795800
multi-res taxable es	mtes	1.795800
multi-res taxable n	mtn	1.795800
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
res/farm taxable fs	rtfs	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, ztn	1.860000
shopping centre excess land	sun, zun	1.302000

SCHEDULE "A" CONTINUED
By-law No.

MUNICIPAL TAX RATIOS

managed forest taxable fp	Ttfp	0.250000
managed forest taxable fs	ttfs	0.250000
managed forest taxable ep	ttep	0.250000
managed forest taxable es	ttes	0.250000
Landfill taxable	ht	2.459410
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, X	Commercial		B	Taxable: General Excess Land
D, Y	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, J	Industrial		J	Taxable: Vacant Land, Shared Payment-in-Lieu
L, K	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, Z	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		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

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.
2018

By-law No.

A by-law setting tax ratios for property classes in 2018.

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:

2018 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 2018 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.

Municipal Option to Apply

3. A single percentage of 30% is hereby adopted in accordance with subsection 313(4) of the Municipal Act, 2001 instead of the percentages set out in paragraphs 2 to 5 of subsection 313(1) for the year 2018 and future years.

Administration of By-law

4. 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

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

PASSED in Open Council on April 10, 2018. .

Matt Brown
Mayor

Catharine Saunders
City Clerk

First Reading – April 10, 2018
Second Reading – April 10, 2018
Third Reading – April 10, 2018

SCHEDULE “A”
By-law No.

MUNICIPAL TAX RATIOS

COLUMN 1	COLUMN 2	COLUMN 3
ABBREVIATED RATEABLE PROPERTY DESCRIPTION	**CODE**	**YEAR 2018 TAX RATIOS**
com taxable farmland 1	c1n	0.750000
com taxable farmland 2	c4n	1.950000
commercial taxable – hydro	chn, xhn	1.950000
commercial taxable vacant -hydro	cjn, xjn	1.365000
commercial taxable - excess - hydro	ckn, xkn	1.365000
commercial taxable tenant of Province	cpn, xpn	1.950000
com taxable	ctn, xtn	1.950000
com taxable excess land	cun, xun	1.365000
com taxable vacant land	cxn, xxn	1.365000
office bldg taxable – hydro	dhn	1.950000
office bldg taxable	dtn, ytn	1.950000
office bldg taxable excess land	dun, yun	1.365000
farmland taxable fp	ftfp	0.118030
farmland taxable fs	ftfs	0.118030
farmland taxable no support	Ftn	0.118030
farmland taxable ep	ftep	0.118030
farmland taxable es	ftes	0.118030
parking lot taxable	Gtn	1.950000
industrial taxable farmland 1	i1n	0.750000
industrial taxable farmland 2	i4n	1.950000
industrial taxable – hydro	ihn, Jhn	1.950000
industrial taxable-hydro- excess land	ikn, Jkn	1.365000
industrial taxable	itn, Jtn	1.950000
industrial taxable excess land	iun, Jun	1.365000
industrial taxable vacant land	ixn, Jxn	1.365000
large industrial taxable	Ltn, ktn	1.950000
large industrial excess land	Lun, kun	1.365000
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	1.795800
multi-res taxable fp	mtfp	1.795800
multi-res taxable fs	mtfs	1.795800
multi-res taxable ep	mtep	1.795800
multi-res taxable es	mtes	1.795800
multi-res taxable n	mtn	1.795800
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
res/farm taxable fs	rtfs	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, ztn	1.950000
shopping centre excess land	sun, zun	1.365000

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

managed forest taxable fp	Ttfp	0.250000
managed forest taxable fs	ttfs	0.250000
managed forest taxable ep	ttep	0.250000
managed forest taxable es	ttes	0.250000
Landfill taxable	ht	2.459410
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
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C, X	Commercial		B	Taxable: General Excess Land
D, Y	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, J	Industrial		J	Taxable: Vacant Land, Shared Payment-in-Lieu
L, K	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, Z	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		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

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 "C"

Bill No.
2018

By-law No.

A by-law to opt to have Section 8.0.2 of Ontario Regulation 73/03 as amended apply within the City of London for the year 2018 to exempt certain properties in the commercial classes, industrial classes and multi-residential property class from the application of Part IX of the *Municipal Act, 2001*.

WHEREAS in accordance with Ontario Regulation 73/03, Council has certain options with respect to the calculation of the amount of taxes for municipal and school purposes payable in respect of property in the commercial classes, industrial classes, or multi-residential property class for 2018 or a subsequent taxation year.

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

1. Section 8.0.2 of Ontario Regulation 73/03 as amended shall apply in the City of London for the year 2018 and subsequent years to certain properties as specified in section 2 of this by-law.

2. Any property in the commercial classes, the industrial classes or the multi-residential class in the City of London shall be exempt from Part IX of the *Municipal Act, 2001* for the year 2018 if the property meets any of the conditions specified in paragraphs 1, 2, or 3 of subsection 8.0.2(2) of Ontario Regulation 73/03 as amended.

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 10, 2018.

Matt Brown
Mayor

Catharine Saunders
City Clerk

First Reading – April 10, 2018
Second Reading – April 10, 2018
Third Reading - April 10, 2018

APPENDIX "D"

Bill No.
2018

By-law No.

A by-law to exercise the option to establish a phase out and end to the capping of property taxes under Part IX of the *Municipal Act, 2001* for eligible property classes.

WHEREAS in accordance with Ontario Regulation 73/03, Council has certain options with respect to the calculation of the amount of taxes for municipal and school purposes payable in respect of property in the commercial, industrial, multi-residential or landfill property classes for 2018 or a subsequent taxation year.

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

1. All the options described in sections 8.2 and 8.3 of Ontario Regulation 73/03 shall apply in the City of London for the year 2018 and subsequent years to all properties in certain property classes as specified in section 2 of this by-law.

2. The Industrial property class, the Commercial property class and the Multi-residential property class shall be subject to this by-law.

3. The City of London elects under subsection 8.3(2) to exclude vacant land in the determination of eligibility for the application of section 8.3 of Ontario Regulation 73/03

Administration of By-law
4. 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
5. This by-law comes into force on the day it is passed.

PASSED in Open Council on April 10, 2018.

Matt Brown
Mayor

Catharine Saunders
City Clerk

First Reading – April 10, 2018
Second Reading – April 10, 2018
Third Reading - April 10, 2018

APPENDIX "E"

Bill No.
2018

By-law No.

A by-law to exclude reassessment related tax increases after 2016 from the capping provisions of Part IX of the *Municipal Act, 2001.*

WHEREAS in accordance with Ontario Regulation 73/03, Council has the option to elect to exclude reassessment related tax increases occurring after 2016 from the capping provisions of Part IX of the *Municipal Act, 2001*

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

1. Section 15.0.1 of Ontario Regulation 73/03 shall apply in the City of London for the year 2018 and subsequent years to certain property classes as specified in section 2 of this by-law.

2. The Commercial, Industrial, and Multi-residential property classes shall be subject to this by-law.

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 10, 2018.

Matt Brown
Mayor

Catharine Saunders
City Clerk

First Reading – April 10, 2018
Second Reading – April 10, 2018
Third Reading - April 10, 2018

APPENDIX "F"

Bill No.
2018

By-law No.

A by-law to opt to use certain subsections of section 329.1 of the *Municipal Act, 2001,* as amended, in the calculation of taxes in the commercial, industrial, and multi-residential property classes.

Whereas in accordance with section 329.1 of the *Municipal Act, 2001*, as amended, Council has certain options with respect to the calculation of the amount of taxes for municipal and school purposes payable in respect of property in the commercial classes, industrial classes, or multi-residential property class for 2018 or a subsequent taxation year.

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

1. Paragraph 1 of subsection 329.1(1) of the *Municipal Act, 2001,* as amended, using 10% in subparagraph (i) shall apply to the commercial classes, industrial classes and the multi-residential property class for the year 2018 and subsequent years.

2. Paragraph 2 of subsection 329.1(1) of the *Municipal Act, 2001,* as amended, using 10% in clause 2(i)(A) shall apply to the commercial classes, industrial classes and the multi-residential property class for the year 2018 and subsequent years.

3. Paragraph 3 of subsection 329.1(1) of the *Municipal Act, 2001,* as amended, using $500 in subparagraph (i) shall apply to the commercial classes, industrial classes and the multi-residential property class for the year 2018 and subsequent years.

4. Paragraph 8 of subsection 329.1(1) of the *Municipal Act, 2001,* as amended, using 100% in subparagraph (ii) shall apply to the commercial classes, industrial classes and the multi-residential property class for the year 2018 and subsequent years.

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.

Commencement

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

PASSED in Open Council on April 10, 2018.

Matt Brown
Mayor

Catharine Saunders
City Clerk

First Reading – April 10, 2018
Second Reading – April 10, 2018
Third Reading - April 10, 2018