



London
CANADA

APPENDIX "B"

July 16, 2019

The Honourable Rod Phillips
Minister of Finance
Frost Building South, 7th Floor
7 Queen's Park Cres.
Toronto, ON
M7A 1Y7



Dear Minister Phillips,

Re: Business Education Property Tax Rates in Ontario

Thank you for the letter to the former Mayor of the City of London regarding business education property tax rates dated December 27th, 2018. The Council of the City of London shares your government's commitment to "making Ontario a premier destination for job creation investment, entrepreneurship and growth" and "exploring all possible avenues to make life more affordable for Ontario families and businesses." The Council of the City of London endeavours to promote policies and actions within its own jurisdiction that help achieve these goals.

We believe, however, that current provincial tax policy with respect to setting business education property tax rates is a significant factor that is negatively affecting economic development and conditions in London and the surrounding region. The City of London has been contacted directly by a Corporation that is one of Ontario's largest commercial property owners. The Corporation has noticed the disparity in commercial education property tax rates on their own different properties within the Province. Their representatives met with City finance staff to discuss what could be done about this problem in our region.

The Council of the City of London has been raising its concerns with respect to inequities related to Business Education Property Tax Rates in Ontario since 2005. In 2007 the Province did clearly acknowledge the problem and indicated it would move all business properties to an equitable system with a uniform property tax rate over a seven year period from 2008 to 2014. As you are aware, the adjustments scheduled for 2013 and 2014 never occurred. The result is that in 2019, commercial properties in the City of Toronto pay an education tax rate of 1.03%, while

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most London commercial properties pay 1.29%. This is a rate difference of 25% in the education portion of the tax bill. In 2019, the education portion of a commercial or industrial property tax bill in London is about 36% of the total bill.

At its meeting on May 7th, 2019 the current Council of City of London passed a resolution asking that I write to you requesting clarification as to what the long term intention of your government is with respect this important issue. Your letter of December 27th, 2018 seems to acknowledge that the current system is not equitable but does not identify any specific actions or timetable that the Province may have under consideration to address the problem. We note that the letter from your Assistant Deputy Minister to Municipal Treasurers dated April 9th, 2019, concerning various tax policy issues for 2019, does identify a uniform “Business Education Tax Target” for the Province. The letter, however, does not give any indication as to when the target will be reached or any specific plan to achieve the target in the future.

I am kindly requesting clarification as to the long term intention of your government with respect to the business education tax target and the business education tax cuts that were temporarily frozen with the 2012 Provincial Budget.

Sincerely,

Ed Holder
Mayor, City of London

c. The Honourable Jeff Yurek, M.P.P. (Elgin-Middlesex-London)

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