

2020 PROPERTY TAX POLICY UPDATE

2020 REGIONAL MESSAGE

We are in changing and unprecedented times. The Regional Municipality of York continues to take decisive and meaningful action to protect the health and well-being of our communities – both physically and financially, and remains committed to working and collaborating with all levels of government to implement economic recovery measures.

A Regional program was adopted by Council to support local municipalities in their effort to provide COVID-19 related financial relief programs to residents and businesses.

INTRODUCTION

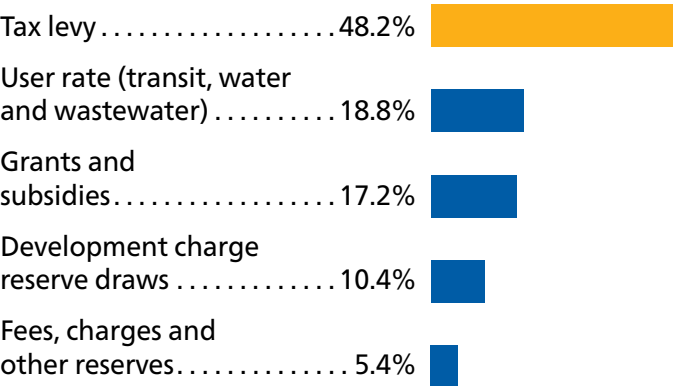
The Regional Municipality of York establishes tax ratios and tax rates to raise the amount of tax levy revenue approved by Regional Council through the annual budget process.

The 2020 budget is the second year of the 2019-2022 multi-year budget. The budget results in a tax levy increase of 2.96% in 2020.

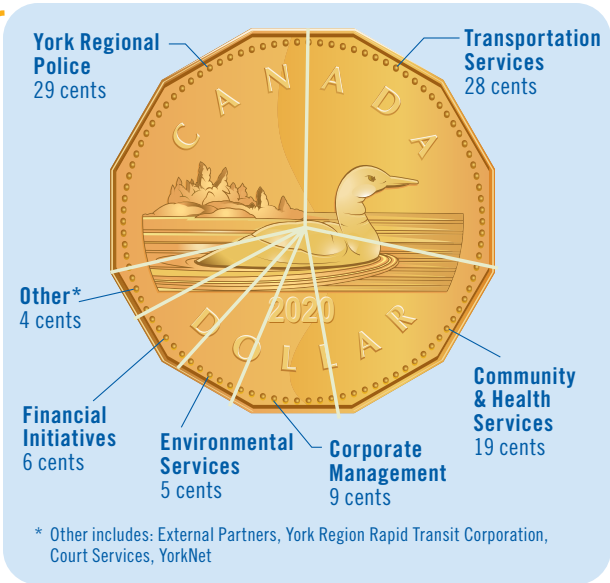
2020 BUDGET HIGHLIGHTS



2020 OPERATING FUNDING SOURCE \$2.5 BILLION



WHERE DOES THE MONEY GO? NET TAX LEVY \$1.189 MILLION



Current Value Assessment

Properties in Ontario are reassessed on a four-year cycle, with the current property valuation reflecting market increases in assessed value as of January 1, 2016.

The 2020 taxation year was intended to be the final year of the four year phase-in of the updated current value assessment.

On March 25, 2020, in view of the unprecedented challenges that municipalities, residents and businesses were facing, the Province announced the reassessment will be postponed and the 2021 property taxes will be based on property values in effect for the 2020 taxation year. How reassessment will be implemented in the future is still uncertain at this point.

Regional Property Tax Ratios and Rates

TAX RATIOS

York Regional Council establishes the relative tax share of each property class by setting tax ratios for the Region and its local municipalities. Property tax ratios determine how a property classification's municipal tax ratio compares with that of the residential class, which has a tax ratio of 1.0.

In 2017, Regional Council approved revenue neutral tax ratios for the 2017-2020 taxation years. The effect of revenue neutrality will be to collect the same share of tax revenue from each property class, whether or not the relative assessed value of that class is above or below the average rate of growth.

Since the increase in property values for the residential class resulting from the 2016 reassessment significantly exceeded those in the business classes, "revenue neutrality" will require an increase to the tax ratios for the business classes to achieve the same share of property taxation.

TAX RATES

2020 tax rates are determined by the approved budget, assessment values and tax ratios. The Regional property tax rates are calculated based on the following formula:

$$\text{Property Tax Rates} = \frac{\text{Total Property Tax Funding Requirement for 2020}}{\text{Weighted and Discounted Assessment for All Classes}} \times \text{Tax Ratio for the Class}$$

As a result of the annual increase in the Region's spending being proportionately lower than the average increase in single-family detached assessment value, the tax rates have declined each year since 2013.

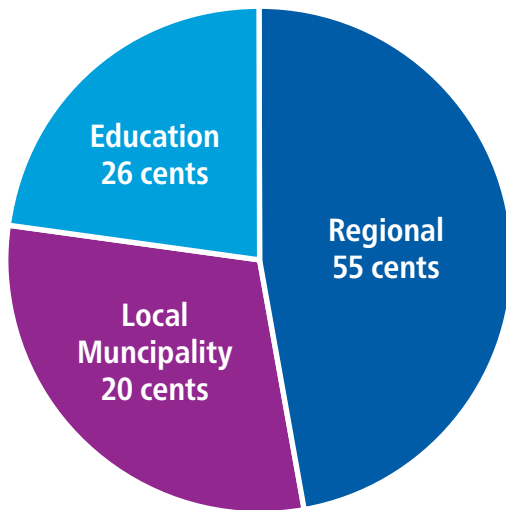
Broad Property Class	2020 Revenue Neutral Tax Ratios	2020 Tax Rates %	2019 Tax Rates %
Residential	1.0000	0.321619	0.336549
Multi-Residential	1.0000	0.321619	0.336549
Commercial	1.3321	0.428429	0.430581
Industrial	1.6432	0.528484	0.528517
Pipelines	0.9190	0.295568	0.309289
Farmland	0.2500	0.080405	0.084137
Managed Forests	0.2500	0.080405	0.084137

HOW IS PROPERTY TAX CALCULATED?

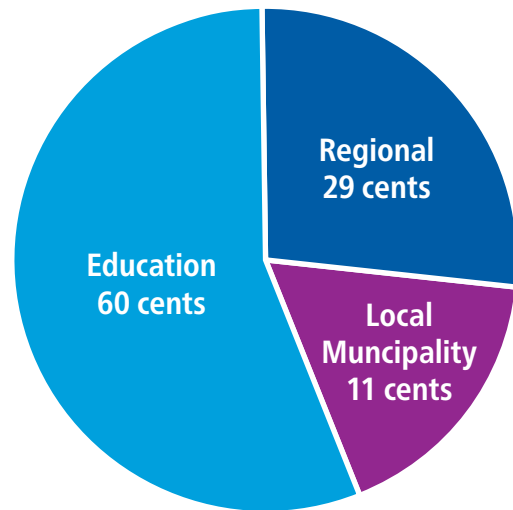
Current Value Assessment	X	2020 Tax Rate	=	Total Tax Bill
2020 Average Single-Family Detached Assessment	X	0.321619%	=	\$3,086.26

Average Distribution of \$1 Property Tax in 2019

RESIDENTIAL



COMMERCIAL & INDUSTRIAL



PROPERTY TAX CAPPING FOR BUSINESS CLASSES

The Municipal Act, 2001 ("the Act") required that municipalities limit the amount of reassessment-related property tax increases for properties in the Commercial, Industrial and Multi-Residential classes to no more than 5% annually. To fund the cost attributed to limiting the tax increases to the capped properties, the foregone revenue is collected from tax-decreasing properties (clawback properties).

The Region has previously advocated for ending property tax capping as it results in inequities among tax payers, and has adopted all the options available from the Province to accelerate the movement of properties to their current value assessment. As a result Multi-Residential properties were phased out of the capping program in 2010 and industrial properties were phased out in 2019. The capping program ends for commercial properties at the conclusion of this year.

Regional Property Tax Policies

The Regional Municipality of York offers a number of property tax discounts, rebates and deferral programs, including:

Property Type/Property Owner	Eligibility/ Criteria	Rebate/ Discount/ Deferral
Excess Land	Classified by Municipal Property Assessment Corporation	30% discount for commercial property 35% discount for industrial property
Vacant Land	Classified by Municipal Property Assessment Corporation	30% discount for commercial Property 35% discount for industrial Property
Farmland Awaiting Development	Phase I – Registered plan of subdivision on the property	75% discount
Registered Charities	Registered charity as defined by subsection 248 (1) of the <i>Income Tax Act</i>	40% rebate of the taxes payable subject to annual application
Veterans Associations, and Ontario Provincial Command	Defined by Section 325 of the <i>Municipal Act</i>	100% rebate of the taxes payable subject to annual application
Seniors, Low-Income Seniors, and Disabled Persons	Over 65 years of age Between 55 to 64 years of age who meet the following income criteria: Single \$23,000 or less Family of two or more persons \$40,000 or less Low-income disabled defined as a disabled person of any age who is in receipt of benefits under Ontario Disability Support Program (ODSP) or Guaranteed Annual Income System (GAINS) for the Disabled	100% deferral of the tax increase subject to annual application Deferral of the tax increase in excess of \$100 subject to annual application 100% deferral of the tax increase subject to annual application
Vacant Business Building	Program eliminated in 2018	

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