



Subject: Tax Rates and Tax Due Dates 2023

Report to: Thorold City Council

Recommendations

1. That Council **RECEIVE** report DF2023-06 for information purposes;
2. That Council **RECEIVE** for information purpose that the final normal installment dates, in accordance with the policy, will be June 30, 2023 and August 31, 2023.
3. That the necessary by-law, to fix the rates of taxation for 2023 and to provide for levying and collection of taxes, **BE PREPARED** and **SUBMITTED** to Council for consideration; and
4. That notice be **PLACED** on the City's website advising of the tax instalment due dates.

Key Facts

- The City has been provided with the Regional Tax Ratios and Regional and Education Tax Rates.
- Coupled with approved City budgets, we are now in a position to finalize the tax rates to prepare bylaws and issue tax bills

Analysis

The City has been provided with the Regional and Education tax rates applicable for the taxation year 2023. Coupled with the approved City budget, we are now in a position to finalize the tax rates and issue the appropriate by-laws

Tax Ratios

Tax ratios determine the municipal tax burden for each property class relative to the residential property class. Under Provincial legislation, the decisions regarding the establishments of tax ratios fall under the Regional jurisdiction in a two-tier structure.

The tax ratios provide the amount by which the tax rates for each property class increase when compared to the Residential class.

The ratios established by the Region are as follows.

<u>Property Class</u>	<u>2023</u> <u>Ratios</u>	<u>2022</u> <u>Ratios</u>
Residential/Farm	1.000000	1.000000
Multi-Residential	1.970000	1.970000
Multi-Residential (new)	1.000000	1.000000
Commercial	1.734900	1.734900
Commercial Vacant/Excess	1.604783	1.474665
Industrial	2.630000	2.630000
Industrial Vacant/Excess	2.432750	2.235500
Pipelines	1.702100	1.702100
Farmlands	0.250000	0.250000
Landfill	2.940261	2.940261

Taxation Policy

In the establishment of the taxation policy and ratio setting, it must be noted that any adjustments to the taxation policy, will result in an impact to the various property classes and consequently there are winning classes and losing classes.

The Region has decided to maintain the existing ratios for occupied properties. The Region continues the multi year phase out of the vacancy reductions for the Commercial and Industrial Classes.

REGIONAL CHARGES

Regional General

The Region approved its rates in their tax rating by-law. The rates are incorporated into the total tax rates detailed in the attached schedules.

Regional Waste Management

The Region established our total waste management cost for 2023 at \$2,064,283 compared to \$1,887,664 for 2022. The Region has provided the tax rates based on assessment to recover the cost. The rates are incorporated into the total tax rates detailed in the attached schedules

Regional Transit

Commencing in 2023, the Region assumed responsibility for Transit. This resulted in a transfer of transit costs at the local level plus a transfer of the Intra Municipal Transit costs from the general Regional levy to the new Transit levy. Thorold's 2022 Transit costs were budgeted at \$714,400, plus a \$692,653 share for IMT as part of the Region's budget, for a total of \$1,407,053. This is in comparison to the 2023 Service Hour allocation of \$1,061,711, with Regional IMT at \$713,707 for a total of \$1,775,418. The Region has provided the tax rates based on assessment to recover the cost. The rates are incorporated into the total tax rates detailed in the attached schedules

Education Rates

The Province has maintained the education rates for all previous existing classes, and has introduced a new rate for property class –Small Farm Business Class.

	<u>2022</u>	<u>2023</u>	<u>2022 Change</u>
Residential, Multi-Residential	0.153000%	0.153000%	(0%)
Commercial Occupied	0.880000%	0.880000%	(0%)
Commercial Excess/Vacant	0.880000%	0.880000%	(0%)
Industrial Occupied	0.880000%	0.880000%	(0%)
Industrial Excess/Vacant	0.880000%	0.880000%	(0%)
Pipelines	0.880000%	0.880000%	(0%)
Farmlands, Managed Forests	0.038250%	0.038250%	(0%)
New Construction Ind/Comm	0.880000%	0.880000%	(0%)
Small Farm Business	-	0.220000%	

City Tax Rates

The City approved its 2023 General Budget in February and the Urban Service Area budget in March. In establishing the tax rates, the budget levy requirements, weighted assessment base, and Regionally-established tax ratios, all form part of the equation.

NHS Health Care Complex Tax Rates

Previous Council approved funding in the amount of \$4.3 million for the new Niagara Health System Complex, with the first payment of \$1.2 Million made in 2011, with the balance payable in the amount of \$298,000 per year from 2012 to 2026. Accordingly, the separate hospital charge has been calculated and included in the tax rates for 2023, as it was in previous years.

Average Impacts

Appendices 1 and 2 provide the tax rates from all sources for the Urban and Rural property classes, and provide a comparison of the change in tax rates year over year, ranging from a 3.8% increase to an 11.5% increase. (High end changes stem from percentage reduction to Vacant/Excess land properties; and budgetary changes.)

Appendices 3 and 4 provide the tax levy allocation between the various authorities, and across the property classes.

Appendix 5 shows an average impact of \$192 or 4.7%, increase to the bottom line overall tax bill, (City, USA, Region, Waste, Education, Hospital) for an average residential property valued at \$269,500.

Tax Due Dates

In accordance with Tax Collection Policy No. 300-13 the normal final installment due dates are the end of June and the end of August. Interim Bills are end of February and end of April. In accordance with legislation, the City must provide twenty-one (21) days' notice, ie. Tax bills must be post-marked or delivered twenty-one days prior to the due date.

We respectfully recommend proceeding with the normal due dates of June 30th and August 31st.

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Appendices

- Appendix 1 Urban Tax Rates
- Appendix 2 Rural Tax Rates
- Appendix 3 Tax levy Comparison
- Appendix 4 Tax Levy By Class
- Appendix 5 Average Impact