

## REPORT

### Council

Meeting Date: April 25, 2022

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**FROM:** Finance Department

**DATE:** April 12, 2022

**SUBJECT:** 2022 Property Tax Levy By-law 2022-041

**LOCATION:** Town-wide

**WARD:** Town-wide

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#### RECOMMENDATION:

That Tax Levy By-law 2022-041, a by-law to provide for the levying of rates for the year 2022, as attached to the report of the Finance Department, be approved.

#### KEY FACTS:

The following are key points for consideration with respect to this report:

- A Tax Levy by-law is required to levy 2022 property taxes;
- The Town is required to levy on behalf of the Region of Halton, School Boards and Business Improvement Areas (BIA).

#### BACKGROUND:

The *Municipal Act, 2001* requires Council to pass a by-law each year specifying the levying of tax rates. The Town's operating and capital budgets for 2022 were approved by Council on December 20, 2021. Moreover, the Downtown BIA, Bronte Village BIA and the Kerr Village BIA budgets for 2022 were presented and approved by Council at the January 31, 2022 meeting. The Tax Levy by-law, attached to this report, has been prepared to reflect these budgets, and to authorize the 2022 final tax billing.

#### COMMENT/OPTIONS:

The Town of Oakville is responsible for approving the budget for its own general purposes and the budgets of the BIAs, and the calculation of the final tax rates. The Town is also required to levy taxes for regional and education purposes according to the tax rates set by the Region and the Province.

As noted below, the attached appendices are based on the budgets and/or rates for town, business improvement areas, regional and education purposes.

- Appendix A – By-law 2022-041 including Schedule 1 (Town of Oakville Net Budget) will authorize the 2022 final tax rates, and establishes installment due dates of June 27, 2022 and September 26, 2022;
- Appendix B – 2022 Tax Rate Summary provides a summary of the 2022 tax rates for all property classes.

2022 Tax Levy

The 2022 gross operating budget for the Town approved at the December 20, 2021 Council meeting totaled approximately \$367.7 million, requiring a net general tax levy of \$222,136,800. The tax levy by-law, attached to this report, has been prepared to reflect this budget and those of the Downtown, Bronte Village and Kerr Village BIAs.

The Town’s general tax levy requirement approved as part of the 2022 budget process has increased 1.67%, representing an approximate 1.50% overall residential tax rate increase

The final assessment information from the Municipal Property Assessment Corporation (MPAC) is finalized in December during the same week that Town Council approves the budget at the anticipated assessment growth number. This can lead to variance between the budgeted and actual assessment growth. There was no change to the assessment growth number used at the time of the budget preparations and the end of the year.

	2022 Budget	2022 Levy	Difference
Assessment Growth	1.44%	1.44%	0.00%
Tax Increase	1.67%	1.67%	0.00%
Net Levy Requirement	\$222,136,800	\$222,136,800	\$0.00

As of the date of finalizing this report, we have received the final 2022 Education rates from the Province.

The overall (Town, Region and Education) residential tax rate increase is 1.50% or \$10.81 per \$100,000 of assessment and the overall commercial tax rate increase is

0.99% or \$15.75 per \$100,000 of assessment. The education component of the total residential rate is approximately 21%, while it is 48% of the commercial tax rate.

Percentage Share of 2022 Residential Taxes:

Town	42%
Region	37%
Education	21%

For every \$100,000 of assessed value, the total property taxes for 2022 on a residential dwelling will be \$732.33 and on a commercial property at the full rate taxes will be \$1,614.34.

The increase per \$100,000 (restated for CVA) of assessed value is as follows:

	<u>Residential Example</u>	<u>Commercial Example</u>
<b>Town</b>	<b>\$4.92</b>	<b>\$7.17</b>
<b>Region</b>	<b>\$5.89</b>	<b>\$8.58</b>
<b>Education</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Total</b>	<b><u>\$10.81</u></b>	<b><u>\$15.75</u></b>

The information is provided to property owners on the Final Tax Bill (illustration follows) using the following assumptions:

- Each \$100,000 of residential assessment

2021 Final Taxes	\$721.52
2022 Local Municipal Levy Change	\$4.92
2022 Upper Tier Municipal Levy Change	\$5.89
2022 Provincial Education Levy Change	\$0.00
Tax Change Due to Reassessment	<u>\$0.00</u>
2022 Final Taxes	\$732.33

**CONSIDERATIONS:**

**(A) PUBLIC**

Property tax notices for all taxable properties will be mailed at least 21 days before the first installment is due. Assessment and budget impact information has previously been provided through media notifications and through committee meetings. 2022 budget information is posted on the town's web site, and further information will be posted and published subsequent to Council approval of the Tax Levy By-law.

**(B) FINANCIAL**

The attached By-law 2022-041 has been prepared to reflect the town's operating budget and capital budgets for 2022 which were approved at the Council meeting on December 20, 2021. The 2022 budgets of the three Business Improvement Areas, were approved on the January 31, 2022 council meeting.

**(C) IMPACT ON OTHER DEPARTMENTS & USERS**

NA

**(D) CORPORATE STRATEGIC GOALS**

This report addresses the corporate strategic goal(s) to:

- be fiscally sustainable

**(E) CLIMATE CHANGE/ACTION**

NA

**APPENDICES:**

Appendix A – 2022 Tax Levy By-law 2022-041 and Schedule 1 (Town of Oakville Net Budget)

Appendix B – 2022 Tax Rate Summary

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