

REPORT

Council

Meeting Date: May 1, 2025

FROM: Finance Department

DATE: April 15, 2025

SUBJECT: 2025 Property Tax Levy By-law 2025-071

LOCATION: Town-wide

WARD: Town-wide

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RECOMMENDATION:

1. That the Tax Levy by-law 2025-071, a by-law to provide for the levying of rates for the year 2025, as attached to the report of the Finance Department, be approved; and,
2. That, in accordance with Council's resolution from the December 19, 2024 Council meeting, the net levy requirement be increased to \$281,562,000 and a transfer to the Tax Rate Stabilization reserve in the amount of \$458,500 be approved to maintain the 2025 the overall tax levy increase at 4.91 per cent.

KEY FACTS:

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

- A by-law is required to levy 2025 property taxes;
- Any surplus or deficit resulting from a difference in the actual assessment growth from the budgeted assessment growth will be transferred to/from the Tax Rate Stabilization reserve;
- The Town of Oakville is required to levy on behalf of the Region of Halton, the Province of Ontario for education, and the Business Improvement Areas (BIA).

BACKGROUND:

The *Municipal Act*, 2001 requires Council to pass a by-law each year specifying the levying of tax rates. Oakville's operating and capital budgets for 2025 were adopted by Council on December 19, 2025. The Downtown BIA, Bronte Village BIA and the Kerr Village BIA budgets for 2025 were approved at the February 24, 2025 Council meeting. The tax levy by-law, attached to this report, has been prepared to reflect these budgets, and to authorize the 2025 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, as well as the calculation of the final tax rates. The Town of Oakville is also required to levy taxes for regional and education purposes according to the tax rates set by the Region of Halton and the Province of Ontario for the school boards.

The attached appendices are based on the budgets and rates for the Town, the business improvement areas, and for regional and education purposes:

- Appendix A By-law 2025-071 including Schedule 1 (Town of Oakville Net Budget) will authorize the 2025 final tax rates, and establish installment due dates of June 25, 2025 and September 25, 2025; and
- Appendix B 2025 Tax Rate Summary provides a summary of the 2025 tax rates for all property classes.

2025 Tax Levy and Assessment Changes

The 2025 gross operating budget for the Town, adopted by Council at the December 19, 2025 Special Council meeting, totals approximately \$437.1 million and requires a levy budget requirement of \$281,103,500. The tax levy by-law, attached to this report, has been prepared to reflect this budget; as well as those of the Downtown, Bronte Village and Kerr Village BIAs.

The Town's general tax levy requirement adopted as part of the 2025 budget process has increased 6.00 per cent, representing an approximate 4.91 per cent overall residential tax rate increase.

The in-year changes to property assessment, completed by the Municipal Property Assessment Corporation (MPAC,) are finalized and provided to municipalities in December annually. The assessment growth of 2.53 per cent is due to net in-year growth in assessment in 2024. Assessment growth is generated from new development or property improvement that has been valued by MPAC during the year. Oakville was 4th overall in Ontario for new property value in 2024, adding \$1.57B in new assessment. In-year growth in assessment is generally off-set by reduced assessed values resulting from Assessment Review Board appeal settlements and MPAC requests for reconsideration settlements.

All assessments in Ontario reached full value in 2020, and there has been a postponement of the 2021 reassessment for the 2021-2025 tax years. This means that assessments used for the 2025 taxation year will continue to be based on the same valuation date that was in effect for the 2024 taxation year (based on a

January 1, 2016 market value), and will be the same value unless there has been a change or improvement to the property. At the time of writing this report, there has been no update from the Province or MPAC regarding timing of a future Provincial reassessment.

Due to a minor shift in property assessment growth at time of writing this report, in order to maintain the Council approved 2025 budget increase of 4.91 per cent, the net levy requirement is increased to \$281,562,000, and a transfer to the Tax Rate Stabilization reserve in the amount of \$458,500 has been added to the budget.

2025 Tax Impact

The overall (Town, Region and Education combined) residential tax rate increase is 4.91 per cent or \$39.03 per \$100,000 of assessment and the overall commercial tax rate increase is 3.31 per cent or \$56.53 per \$100,000 of assessment. The education component of the total residential rate is approximately 19 per cent, while it is 44 per cent of the commercial tax rate.

Percentage Share of 2025 Residential Taxes:

Town	43%
Region	38%
Education	19%

For every \$100,000 of assessed value, the total property taxes for 2025 on a residential dwelling will be \$834.63 and on a commercial property at the full rate taxes will be \$1,763.35.

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

	<u>Residential Example</u>	<u>Commercial Example</u>
Town	\$20.28	\$29.54
Region	\$18.75	\$26.99
Education	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Total	\$39.03	\$56.53

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

For each \$100,000 of residential assessment:

2024 Final Taxes	\$795.60
2025 Local Municipal Levy Change	\$ 20.28
2025 Upper Tier Municipal Levy Change	\$ 18.75

2025 Provincial Education Levy Change	<u>\$ 0.00</u>
2025 Final Taxes	\$834.63

CONSIDERATIONS:

(A) PUBLIC

Property tax notices for all taxable properties are legislated to be mailed at least 21 days before the first installment is due. Property owners now have the ability to access their property information through Online Services on oakville.ca. Assessment and budget impact information has previously been provided through media notifications and through committee meetings. 2025 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 2025-071 has been prepared to reflect the town's operating budget and capital budgets for 2025 which were adopted at the Special Council meeting of December 19, 2024. The 2025 budgets of the three Business Improvement Areas were approved by Council February 24, 2025.

A transfer to the Tax Rate Stabilization reserve in the amount of \$458,500 is required to maintain the Council approved 2025 adopted levy requirement of 4.91 per cent.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

NA

(D) COUNCIL STRATEGIC PRIORITIES

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

- be fiscally sustainable

(E) CLIMATE CHANGE/ACTION

NA

APPENDICES:

Appendix A 2025 Tax Levy By-law 2025-071 and Schedule 1 (Town of Oakville Net Budget)

Appendix B 2025 Tax Rate Summary

Prepared by:
Chris Prinsen,
Analyst, Tax and Assessment

Prepared by:
Danielle Tummon,
Manager, Revenue Services and
Taxation

Submitted by:
Jonathan van der Heiden,
Deputy Treasurer and Director of
Finance