

EXTRACT OF DRAFT MINUTES 23
FINANCE AND ECONOMIC
DEVELOPMENT COMMITTEE
23 APRIL 2021

EXTRAIT DE L'ÉBAUCHE DU
PROCÈS-VERBAL 23
COMITÉ DES FINANCES ET DU
DÉVELOPPEMENT ÉCONOMIQUE
LE 23 AVRIL 2021

2021 TAX RATIOS AND OTHER TAX POLICIES

ACS2021-FSD-REV-0001

CITY WIDE

That the Finance and Economic Development Committee recommend that Council:

- 1. Receive the optional Small Business property tax subclass framework outlined in this report and that staff consult under this framework and report back in Q3 with final recommendations.**
- 2. Adopt the following optional property classes in 2021:**
 - **Shopping Centre property class**
 - **Parking Lots and Vacant Land property class**
 - **Office Building property class**
 - **Large Industrial property class**
 - **New Multi-Residential property class**
 - **Professional Sports Facility property class**
- 3. Adopt the following tax ratios for 2021:**

Property Class	Ratio**
Residential	1.00000
Multi-Residential	1.38668
New Multi-Residential	1.00000
Farm	0.20000

Managed Forest	0.25000
Pipeline	1.72025
Commercial Broad Class	1.85204
Commercial*	1.82769
Office Building*	2.26801
Parking Lots and Vacant Land*	1.23364
Shopping Centre*	1.47088
Professional Sports Facility	1.82769
Industrial Broad Class	2.41793
Industrial*	2.53090
Large Industrial*	2.17340
Landfill	2.76428

** including new construction classes for Business Education Tax rate purposes.*

*** Subject to final minor revisions upon Ontario Property Tax Analysis (OPTA) close-off.*

4. Adopt the following tax ratios and by-laws for the mandatory property subclasses and the tax rate percentage reduction for farm land awaiting development:

- **Commercial excess land (i.e. commercial, office building and shopping centre property classes): 70% of the applicable commercial property class tax ratio;**
- **Vacant industrial land, industrial and large industrial excess land: 65% of the applicable industrial property class tax ratio;**
- **Farm land awaiting development subclass I: 75% of the residential property class tax ratio and the corresponding tax rate percentage reduction for the awaiting residential, multi-residential, commercial and industrial property classes;**
- **Farm land awaiting development subclass II: no tax rate reduction; and**
- **Small-scale on farm business subclass: 25% of the applicable commercial or industrial property class tax ratio for**

the first \$50,000 of assessment.

5. Approve that the tax rates for 2021 be established based on the ratios adopted herein.
6. Approve that the 2021 capping and clawback provisions be as follows:
 - That capping parameters be approved at the higher of 10% of the previous year's annualized tax or 5% of the 2020 Current Value Assessment (CVA) taxes;
 - That capped or clawed back properties whose recalculated annualized taxes fall within \$250 of their CVA taxation be moved to their CVA tax for the year and be excluded from any future capping adjustments;
 - That properties that have reached their CVA during the current year or crossed over from the clawed back category to the capped category remain at CVA taxes and be excluded from any future capping adjustments; and
 - That properties that cross over from the capped category to the clawed back category remain subject to clawback adjustments.
7. Approve that the property tax and water mitigation programs previously approved by Council be continued for 2021 as follows:
 - the Charitable Rebate Program;
 - the Farm Grant Program;
 - the Low-Income Seniors and Persons with Disabilities Tax Deferral Program; and
 - the Low-Income Seniors and Persons with Disabilities Water Deferral Program.
8. Approve that staff implement the technical adjustments for the City of Ottawa prescribed in the property tax-related regulations made under the *Municipal Act, 2001*.

9. Approve that \$7.6 million in additional tax revenue from the application of the technical adjustment be allocated as follows:
- \$3.5 million be contributed to the assessment growth for 2021; and
 - \$4.1 million be contributed to the Transit Services operating budget for 2021.
10. Approve that the 2022 property tax and due date provisions be as follows:
- That the interim 2022 property tax billing be set at 50% of the 2021 adjusted/annualized taxes as permitted by legislation;
 - That the following tax due dates be approved for 2022:
 - i. Interim: March 17, 2022;
 - ii. Final: June 16, 2022;
 - That the penalty and interest percentage charged on overdue and unpaid tax arrears remain at the rate of 1.25% per month (15% per year) for 2022, unchanged from 2021; and
 - That Council enacts a by-law to establish the 2022 interim taxes, tax due dates, penalty and interest charges.
11. Adopt an annual levy on eligible institutions pursuant to Section 323 of the *Municipal Act, 2001*, and Ontario Regulation 384/98 as follows:
- \$75 per full-time student in attendance at universities and colleges, pursuant to Section 323 (1);
 - \$75 per resident place in correctional institutions, pursuant to Section 323 (2);
 - \$75 per rated bed in public hospitals, pursuant to Section 323 (3); and
 - \$75 per student place in provincial educational institutions, pursuant to Section 323 (5).

- 12. Approve the amendment to the Municipal Capital Facility By-law 2018-273 and associated Municipal Capital Facility Agreement to reflect the updated space leased through the Elections Office, as further described in this report.**
- 13. Approve the changes to the service fee for payment card processing by-law, as outlined in this report.**
- 14. Approve that the City index the eight stormwater assessment value ranges by the average non-residential reassessment increase at each reassessment cycle.**

Wendy Stephanson, Chief Financial Officer and Joseph Muhuni, Deputy City Treasurer Revenue, Finance Services spoke to a PowerPoint Presentation, a copy of which is held on file with the City Clerk.

Councillors M. Fleury, T. Kavanagh, R. King, C. Kitts and J. Leiper were in attendance. Staff responded to questions from Committee members.

After discussion, the Committee CARRIED this report as presented.