

SCHEDULE "A"
2020 COUNTY-WIDE PROPERTY TAX POLICIES

POLICY	STAFF RECOMMENDATION
Transition Ratios, Tax Ratios, Class Discounts and Tax Rates	<p>THAT the 2020 County-wide revenue neutral transition ratios as set out in Table 3 be received for information; and</p> <p>THAT the 2020 County-wide tax ratios, class discounts and tax rates be approved as set out in Table 1; and</p> <p>THAT staff be directed to prepare the necessary, tax ratio, class discounts and tax rating by-laws</p>
Mandatory Capping	<p>THAT the application of Part IX, section 329.1 of the <i>Municipal Act</i> no longer applies to properties in the multi-residential property class, the commercial property class and the industrial property class in Wellington County effective January 1, 2020; and</p> <p>THAT the mandatory property tax capping programme has officially ended for all properties in Wellington County</p>
Tax relief for low income seniors and persons with disabilities	<p>THAT the tax relief programme for low income seniors and low income persons with disabilities be continued for 2020; and</p> <p>THAT a minimum rebate amount of \$200 be increased to \$400 due to the State of Emergency declared by the Provincial government on March 17, 2020; and</p> <p>THAT a minimum rebate of \$400 be granted to qualified applicants having a tax increase lower than the \$400 threshold for the 2020 taxation year; and</p> <p>THAT qualified applicants experiencing a minor decrease in taxes from the previous year will receive the minimum rebate of \$400 less the amount of the tax decrease; and</p> <p>THAT applications may be made following payment of the first tax instalment of 2020; and</p> <p>THAT staff be directed to prepare the necessary tax relief for low income seniors and persons with disabilities by-law</p>
Tax rebate for charities and other similar organizations	<p>THAT the tax rebate programme for charities and other similar organizations be continued for the 2020 taxation year</p>
Tax relief for Legions	<p>THAT pursuant to section 3 (1) 15.1 of the <i>Assessment Act</i>, land that is used and occupied as a memorial home, clubhouse or athletic grounds by an Ontario branch of the Royal Canadian Legion is exempt from property taxes effective January 1, 2019</p>

TAX RATIOS, CLASS DISCOUNTS and TAX RATES

STAFF RECOMMENDATION:

THAT the 2020 County-wide revenue neutral transition ratios as set out in Table 3 be received for information; and

THAT the 2020 County-wide tax ratios, class discounts and tax rates be approved as set out in Table 1; and

THAT staff be directed to prepare the necessary tax ratio, class discounts and tax rating by-laws

Legislative reference: *Municipal Act 2001 Section 308*

OVERVIEW

- Tax rates are measured as a percentage of the assessed value of a property
- Tax ratios show how a property class' tax rate compares with the residential rate - if a property class has a ratio of 2, then it is taxed at twice the rate of the residential class
- Transition ratios were calculated initially in 1998 by the Province and reflected the level of taxation by class **at that time**
- Tax ratios must be approved annually by County Council, unless delegated to the member municipalities. Table 5 shows tax ratios established by neighbouring municipalities
- Changing ratios shifts the burden of property taxes between property classes (see Table 3 and Table 4)
- The Province established "ranges of fairness" which help protect property classes that are taxed at higher rates - If the ratio for a property class is outside the "range of fairness", a municipality can either maintain the current ratio or move towards the range of fairness, but may not move further from the fairness range (see Table 2)
- Municipalities may pass along up to 50% of a levy increase to classes which have ratios in excess of the provincial threshold
- To avoid tax shifts that may occur as a result of reassessment, municipalities have the option of setting new transition ratios based on a prescribed formula. Once reset, the new ratios may then be established for all of the tax classes or may be selectively adopted. The benefit of adopting new transition ratios is that it allows the flexibility of imposing a higher ratio on any of the capped classes for the current and subsequent taxation years. However, if any of the transition ratios are lower than the existing ratio, the lower one becomes the ceiling and cannot be increased in the current or possibly future taxation years. Table 3 details the upper-tier tax shifts produced by adopting all new transition ratios and tax shifts under the recommended tax ratios for 2020
- Ontario Regulation 65/17 prescribes a maximum ratio threshold of 2.0 for the Multi-Residential property class. Municipalities with a ratio currently set higher than 2.0 are subject to a full levy restriction and cannot increase their current multi-residential class ratio. However, those municipalities with a ratio below 2.0 may increase the current ratio but no higher than 2.0
- The Province has legislated a New Multi-Residential tax class beginning in 2017 which must be adopted by all municipalities. The new multi-residential class is limited to a tax ratio between 1.0 and 1.1. The New Multi-Residential tax ratio was set at 1.1 for Wellington County
- The Province has also legislated a Landfill property tax class beginning in 2017 which must be adopted by all municipalities that contain Landfill properties. The starting ratio for Landfill was originally set by the Ministry of Finance for each municipality with Landfill properties at that time. Every year, municipalities wishing to increase the Landfill ratio could do so by selecting the maximum ratio provided by the Ministry of Finance. Maximum ratio for Landfills is calculating by taking the revenue neutral tax ratio for Landfill and increasing it by 5%. Wellington County has selecting the increased ratio option each year since 2017.

- The Province continued providing municipalities with broader flexibility commencing in 2017 intended to allow municipalities to tailor the vacant unit rebate and reduction programs to reflect community needs and circumstances, while considering the interests of local businesses. Changes to the rebate and reduction programmes are implemented through regulation. Municipalities that have decided to change the programmes can notify the Minister of their intent and provide details of the proposed changes along with a council resolution. The deadline to notify the Ministry of Finance of intended changes for the 2020 taxation year is April 1 and August 1, 2020. However, if the deadline is missed, changes can only be implemented for the following year
- In Wellington County, Erin, Minto and Wellington North have made changes to vacant unit rebate policies effective January 1, 2017. All four of the other local municipalities have eliminated the vacant unit rebate programme including Puslinch (effective January 1, 2018); and Centre Wellington, Guelph/Eramosa, and Mapleton (effective January 1, 2019). Wellington County, with the support of our member municipalities, has completely eliminated the excess and vacant land subclass discounts as of January 1, 2019.
- Under the current programme if the property is in any of the commercial classes, the vacant unit rebate is equal to 30% of full taxes; and 35% for those in the industrial property classes
- Enhanced flexibility options will allow municipalities to set rebate and reductions to any percentage range lower than currently legislated including no reduction at all bringing them to full tax liability
- Although both the vacant unit rebate and the excess and vacant land reductions are decisions made by an upper or single tier, it is the local member municipalities that fully administer the vacant unit rebate programme
- Since providing these enhanced flexibility options, the province has now followed suit by lowering or eliminating the education tax rate discounts for these policy options to mirror the changes made by each municipality. And further, effective January 1, 2020, the education tax discount has been fully eliminated for each of the commercial and industrial vacant or excess land property classes unless the municipality has notified the Minister of a modified discount rate reduction
- The Ministry has provided a check list for municipalities to consider before making changes to the programmes, including engaging with the local business sector. At this time, Erin, Minto and Wellington North may still opt for additional eligibility changes or completely eliminate the vacant unit rebate programme entirely
- Announced in 2017, the Province has prescribed new subclasses for Small-Scale on Farm Business Properties effective January 1, 2018. Provided that the business supports the farming activity, Councils may adopt the new commercial or industrial farm business subclass. This would allow for the business tax portion to be discounted to 75% of the applicable tax rate. A tax reduction is limited to no more than \$50,000 of assessment in the business class. Wellington County has not adopted the reduced farm business subclasses, however they are mandatory for the education reduction effective January 1, 2018
- Ontario Regulation 62/17 provides municipalities with the option to adjust the year-end assessment to offset changes resulting from certain in-year reassessment related changes such as appeal losses. Adopting the filter affects the calculation of the Notional Rate and Revenue Neutral Tax Ratios. This typically increases the Notional Rates resulting in a lower levy change used on tax bill notices. Applying the adjustment is an annual decision adopted by Council resolution
- Removing in-year adjustments from the Notional Rate calculation is **not** recommended for 2020
- Provisions for the taxing of farmland awaiting development are as follows:
 - on registration of the plan of subdivision, property assessment changes from being based on farm use to zoned use, and a tax rate of between 25% and 75% of the residential rate will apply [the rate can be adjusted up or down by up to 10 percentage points per year]
 - when a building permit is issued, the tax rate may change from 25% to 100% of the rate that would apply to the property's zoned use

POLICY CONSIDERATIONS

- Higher tax ratios could be perceived as discriminatory by multi-residential, commercial and industrial property owners who may feel that they are overtaxed relative to residential properties
- The disparity between the commercial and industrial tax ratios is difficult to justify
- Non-residential and multi residential properties have historically been taxed at higher rates in most municipalities across the province
- Multi-residential properties are assessed on a different basis than residential properties and most often will attract a lesser amount of assessment per unit
- Adopting discounted subclasses for small-scale on farm business properties may be perceived as unfair by other commercial and industrial business owners who are taxed at the full rate. In addition, farm properties are already receiving discounted farmland tax rates for municipal and education purposes as well as a lower replacement cost valuation on the residential farmhouse component

MANDATORY CAPPING

STAFF RECOMMENDATION:

THAT the application of Part IX, section 329.1 of the *Municipal Act* no longer applies to properties in the multi-residential property class, the commercial property class and the industrial property class in Wellington County effective January 1, 2020; and

THAT the mandatory property tax capping programme has officially ended in Wellington County

Legislative reference: *Municipal Act 2001 Part IX*

OVERVIEW

- Since property tax reform began in 1998, legislation provided that Councils must limit the assessment related tax increases on multi residential, commercial and industrial property classes
- Councils must then decide how to finance the cap, which can be done by capping decreases as well, by using general revenues or reserves, or a combination of the two
- Shortfalls could not be shared with school boards
- The Province has since provided increased flexibility for municipalities with the following options:
 - maintaining the 5% mandatory cap
 - increasing the cap between 5% and 10%, or selecting 10% of CVA tax (whichever is higher)
 - if an increasing property is within \$500 of CVA taxation, then it may be billed at full tax
 - if a decreasing property is within \$500 of CVA taxation, then it will receive the full reduction without clawback
- Ontario Regulation 160/09 under the *Municipal Act* grants municipalities the option to remove those properties from the capping regime that had reached full CVA taxation in 2019 and to remain at full CVA tax level for 2020
- Ontario Regulation 102/16 provided additional flexibility with the following options:
 - limiting cap protection only to reassessment related changes prior to the current taxation year
 - exclude vacant land properties from capping phase-out calculations
 - phase-out capping over a 4-year cycle if **all** of the properties in a capped class are equal to or greater than 50% of the uncapped taxes for the property for the taxation year
- Multi-residential properties have not been subject to capping since 2010. Industrial properties entered the fourth and final year to phase-out of capping in 2019. Although commercial properties entered into the second year of the capping phase-out cycle in 2019, for 2020 all commercial properties have reached their full CVA taxes and are now eligible to exit and end the capping programme immediately
- With the support of Council and our member municipalities, by selecting all available capping options throughout the years, Wellington has completely ended the mandatory tax capping regime effective the 2020 taxation year

TAX RELIEF FOR LOW INCOME SENIORS AND LOW INCOME PERSONS WITH DISABILITIES

STAFF RECOMMENDATION:

THAT the tax relief programme for low income seniors and low income persons with disabilities be continued for 2020; and

THAT a minimum rebate amount of \$200 be increased to \$400 due to the State of Emergency declared by the Provincial government on March 17, 2020; and

THAT a minimum rebate of \$400 be granted to qualified applicants having a tax increase lower than the \$400 threshold for the 2020 taxation year; and

THAT qualified applicants experiencing a minor decrease in taxes from the previous year will receive the minimum rebate of \$400 less the amount of the tax decrease; and

THAT staff be directed to prepare the necessary tax relief for low income seniors and persons with disabilities by-law

Legislative reference: *Municipal Act 2001 Section 319*

OVERVIEW

- Upper tier and single tier municipalities **MUST** provide a programme of tax relief for the purpose of “relieving financial hardship”
- Relief can be in the form of a deferral or cancellation of tax increases
- Tax relief is currently provided in the form of a cancellation of any increase in taxes payable year over year
- Tax cancellation, for the purpose of this policy, means the difference between this year’s taxes, minus last year’s tax as adjusted in accordance with the legislation
- The legislation also applies to tax increases for local municipal and education purposes
- The amount cancelled is withheld by the local municipality from amounts levied for upper tier and school board purposes
- The intent of this policy is to provide a mechanism to assist those least able to pay a significant increase in taxes due to reassessment
- Since the mandatory 4-year assessment phase-in cycle each year is treated as a reassessment, and generally, rebate amounts have been steadily declining
- On March 17, 2020, the Provincial government declared a State of Emergency due to the spread of COVID-19 which places financial hardship on the most vulnerable of County residents
- Upon consultation with member municipalities it was recommended that the minimum rebate amount of \$200 be increased to \$400 to assist our residents during this time
- The minimum rebate of \$400 will be granted to eligible applicants experiencing a minor tax increase lower than the \$400 threshold
- Qualified applicants experiencing a minor decrease in taxes from the previous year will receive the minimum rebate of \$400 less the amount of the tax decrease
- The current by-law states that taxes must be paid in full for the eligible tax year, and account in good standing to the satisfaction of the local Treasurer
- Due to the State of Emergency, qualified applicants need only make their first property tax instalment before becoming eligible to apply for the 2020 rebate
- Applications may be made any time following payment of the first tax instalment up to and including the deadline of November 1, 2020
- Applications may only be made once during the tax year

OVERVIEW

- With the deadline extended for filing annual Income Tax returns, low income seniors may not have the most current Guaranteed Income Supplement approval letter. In such cases, staff have been directed to accept applications based on 2019 proof of GIS entitlement
- Proof of receipt of ODSP is not expected to be effected by the declared State of Emergency therefore, a current deposit slip remains a necessary part of the application process

Promotion efforts:

- Additional efforts have been undertaken to increase taxpayer awareness of the programme
- Local municipalities mention the rebate programme and filing deadline on their tax bill inserts
- The County's tax bill insert (to go out with 2020 final tax bills) includes details about the programme
- Twice a year the County publishes notification of the Low Income Seniors or Persons with Disabilities Property Tax Relief Programme on the County Page of the Wellington Advertiser
- Programme details are available on municipal and County websites
- The number of applications has almost tripled since the start of the programme, however, with phased-in CVA assessment, significant annual tax increase amounts have been declining
- The average rebate in 2019 county-wide was \$212
- In 2019, 122 applications were approved including 12 for disability relief. In 2018, a total of 105 applications were approved including 12 for disability tax relief.

The following table details the 2019 sharing of senior/disabled property tax rebates:

COUNTY OF WELLINGTON

SUMMARY OF TAX RELIEF TO LOW INCOME SENIORS AND LOW INCOME PERSONS WITH DISABILITIES FOR THE 2019 TAXATION YEAR

2019	Number			Local	County	School	Total	Average Refund
	Approved	Seniors	Disabled					
Puslinch	10	9	1	\$ 410	\$ 1,442	\$ 376	\$ 2,228	\$ 223
Guelph-Eramosa	8	8	0	\$ 457	\$ 1,049	\$ 274	\$ 1,780	\$ 223
Erin	15	13	2	\$ 915	\$ 1,850	\$ 482	\$ 3,247	\$ 216
Centre Wellington	32	27	5	\$ 1,818	\$ 3,484	\$ 908	\$ 6,211	\$ 194
Mapleton	7	7	0	\$ 659	\$ 854	\$ 223	\$ 1,736	\$ 248
Minto	27	23	4	\$ 2,256	\$ 2,422	\$ 633	\$ 5,311	\$ 197
Wellington North	23	23	0	\$ 1,673	\$ 2,073	\$ 541	\$ 4,287	\$ 186
COUNTY	122	110	12	\$ 8,189	\$ 13,175	\$ 3,436	\$ 24,799	\$ 212

TAX RELIEF PROVISIONS FOR LOW INCOME SENIORS AND LOW INCOME PERSONS WITH DISABILITIES

GENERAL PARAMETERS

1. Taxes for 2020 will be in comparison to the 2019 annualized taxes
2. Tax relief is in the form of a cancellation of taxes
3. For the 2020 tax year, a minimum rebate amount of \$400 will be given to qualified applicants having a tax increase lower than the \$400 threshold
4. For the 2020 tax year, qualified applicants experiencing a minor decrease in taxes from the previous year will receive the minimum rebate of \$400 less the amount of the tax decrease
5. Applications may be made following the first instalment in 2020 up to November 1, 2020

ELIGIBILITY CRITERIA (for receipt of property tax relief):

A) LOW-INCOME SENIORS

- Must have attained the age of 65 years and be in receipt of benefits under the Guaranteed Income Supplement (GIS) programme
- The eligibility criteria mirrors similar economic criteria set by the Province under the Seniors Tax Credit Programme established in 2009

B) LOW-INCOME PERSONS WITH DISABILITIES

- Must be in receipt of benefits under the Ontario Disability Support Programme (ODSP)
- Application may be reviewed in consultation with local Treasurers or Social Service staff

OTHER PROVISIONS

- To qualify for tax assistance, applicants must have been owners of real property within the County for a period of one (or more) year(s) preceding the application
- Tax assistance is only allowed on one principal residence of the qualified individual or the qualifying spouse. Appropriate proof of residency establishing continuous (i.e. not part-time) residency must be provided. Verification of documentation provided in conjunction with an application may be carried out independently at the discretion of the County Treasurer
- Tax relief applies to current taxes only (not tax arrears)
- Tax relief amounts are only cancelled after payment in full is received for the first tax instalment of 2020
- Deadline to apply for tax relief is any time after the first instalment is paid up to and including November 1, 2020
- Application must be made annually to the County Treasurer to establish eligibility or continued eligibility, on a form similarly prescribed by by-law
- Applicant responsible to refund any overpayment of tax rebate granted if property assessment is reduced by the Assessment Review Board or Municipal Property Assessment Corporation
- For properties that are jointly held or co-owned by persons other than spouses, both or all co-owners must qualify under applicable eligibility criteria in order to receive tax relief
- Tax relief begins in the month in which the low income senior attains the age of 65 or in which the low income person becomes disabled

OTHER BACKGROUND INFORMATION ON TAX RELIEF FOR LOW INCOME SENIORS AND LOW INCOME PERSONS WITH DISABILITIES

GUARANTEED INCOME SUPPLEMENT

The Guaranteed Income Supplement (GIS) is a federal programme administered by Service Canada on behalf of Employment and Social Development Canada in conjunction with the Old Age Security (OAS) programme. The Guaranteed Income Supplement is an income-tested, monthly non-taxable benefit for Old Age Security pensioners with limited income apart from the Old Age Security pension.

To qualify for the GIS, an individual must:

- i. be receiving the Old Age Security pension;
- ii. be resident in Canada; and
- iii. have an income at or below the qualifying level, as established by regulation (for married couples, the combined income of both spouses must be below the qualifying level).

Provisions of the GIS are established under the *Old Age Security Act (Canada)*, and regulations made quarterly under this Act. Application, eligibility determination and payment of benefits under this programme are administered by Service Canada for Employment and Social Development Canada, thereby eliminating the need for individual municipalities to establish criteria and eligibility for applicants. Applicants need only demonstrate proof of GIS benefits to qualify for municipal tax relief.

ONTARIO DISABILITY SUPPORT PROGRAMME

The Ontario Disability Support Programme (ODSP) is a provincial programme administered by the Ontario Ministry of Community & Social Services (MCSS). The ODSP was introduced in legislation in June 1997 (Bill 142), and was created to remove people with disabilities from the Welfare system to more effectively meet their needs.

Eligibility under the ODSP is determined by staff of the MCSS, according to criteria which considers, among other things, the nature of the disability, the extent to which daily activities are affected by the disability, income level from all sources (including receipt of benefits under other income support programmes such as GAINS, Canada Pension Plan, Workers Compensation), etc.

Application, eligibility determination and payment of benefits under the ODSP are administered by the MCSS, using information supplied by applicants. This eliminates the need for individual municipalities to establish criteria and eligibility for applicants. Applicants need only demonstrate proof of ODSP eligibility to qualify for municipal tax relief. In extreme cases consultation may be made with County Social Service staff to determine eligibility.

TAX REBATES FOR CHARITIES AND OTHER SIMILAR ORGANIZATIONS

STAFF RECOMMENDATION:

THAT the tax relief programme for charities and other similar organizations be continued for the 2020 taxation year

Legislative reference: *Municipal Act 2001 Section 361*

OVERVIEW

- The original intent of the programme was to address certain tax impacts relating to the elimination of the Business Occupancy Tax (BOT) – registered charities that previously did not pay the BOT on leased commercial/industrial properties were put in a position of paying a higher (blended) tax rate on such properties
- All upper and single tier municipalities **MUST** have a rebate programme in place
- An eligible charity is a registered charity in accordance with the *Income Tax Act* and that has a registration number issued by the Canada Revenue Agency
- A property is eligible if it is one of the commercial or industrial property classes

Programme requirements include:

- The amount of the rebate must be at least 40% of taxes paid
- One half of the rebate must be paid within 60 days of receipt of the application and the balance paid within 120 days of receipt of the application
- Applications for a rebate must be made annually between January 1 of the taxation year and the last day of February of the following taxation year

Programme options include:

- Other similar organizations may also be provided with rebates
- Rebates may be provided to properties in classes other than the commercial and industrial classes
- The rebate percentage can vary for different charities or other similar organizations and can be up to 100% of taxes paid
- Cost of the rebate is shared between the upper tier, local municipality and school boards
- The organization receiving the rebate shall also be provided with a written statement showing the proportion of costs shared by the school boards
- If the property is under appeal by the owner, or a Request for Reconsideration, the charity will be ineligible for a rebate until such time as the matter is settled
- Where no rebate was issued due to assessment appeal, municipalities must pay interest at the lowest prime rate reported to the Bank of Canada. Reference: s257.11 (4) *Education Act* and s. 361 (9) *Municipal Act*
- Tax account must be in good standing to the satisfaction of the local Treasurer

CURRENT TAX RELIEF PROVISIONS FOR REGISTERED CHARITIES AND OTHER SIMILAR ORGANIZATIONS

The County's by-law includes all mandated provisions as well as the following optional provisions:

- Rebates set at 40% of taxes paid
- At the discretion of the County Treasurer, expanded eligibility policy may include non-profit organizations, agricultural organizations, as well as boards of trade, chambers of commerce and registered amateur athletic organizations (as defined in the Income Tax Act)

Promotional efforts:

- In order to increase public awareness of the Charitable Rebate Programme, twice a year the County places a notice in the Wellington Advertiser
- Details of the programme are also posted on municipal and County websites
- Local and County tax bill inserts inform property owners of the Charitable Rebate Programme
- The number of applications has more than doubled since 2007. For the 2019 tax year, 20 applications were received. 19 have been approved, while 1 remains on hold until property tax appeals are settled. The County received 17 charitable rebate applications in 2018
- The following table details the 2019 sharing of charitable rebates and the types of organizations benefiting from the programme in each municipality

Summary of Charitable Tax Rebates in 2019

	County	Local	School	Total	
Puslinch	\$ 1,219	\$ 330	\$ 1,274	\$ 2,823	Sunset Villa Association (new in 2018)
Guelph/Eramosa	\$ 1,422	\$ 632	\$ 1,486	\$ 3,540	Ontario 4-H Council
Guelph/Eramosa	\$ 4,444	\$ 1,975	\$ 4,644	\$ 11,063	EW Family Health Team - Rockwood
Erin	\$ 5,773	\$ 2,765	\$ 6,033	\$ 14,570	EW Family Health Team - Thompson Cres
Erin	\$ 1,179	\$ 565	\$ 1,232	\$ 2,977	EW Community Services (EWAG)
Erin	\$ 778	\$ 373	\$ 813	\$ 1,964	Hillsburgh Medical Centre
Erin	\$ 913	\$ 437	\$ 954	\$ 2,305	Humane Society
Ctr Wellington	\$ 223	\$ 116	\$ 233	\$ 572	Elora Centre for the Arts
Ctr Wellington *	\$ 8,404	\$ 4,382	\$ 8,782	\$ 21,568	Habitat for Humanity, Tower St.
Ctr Wellington	\$ 4,249	\$ 2,215	\$ 4,440	\$ 10,905	BFM (Bibles for Missions)
Ctr Wellington	\$ 1,205	\$ 628	\$ 1,259	\$ 3,093	C W Food Bank
Ctr Wellington	\$ 1,226	\$ 639	\$ 1,282	\$ 3,147	C W Food Bank
Ctr Wellington	\$ 1,956	\$ 1,020	\$ 2,045	\$ 5,021	Chamber of Commerce
Ctr Wellington	\$ 717	\$ 374	\$ 750	\$ 1,841	Well/Wtloo Comm Futures Unit 1
Ctr Wellington	\$ 717	\$ 374	\$ 750	\$ 1,841	Well/Wtloo Comm Futures Unit 2
Ctr Wellington	\$ 1,285	\$ 670	\$ 1,343	\$ 3,299	Ontario Potato Board
Well North	\$ 164	\$ 133	\$ 171	\$ 467	New Growth Family Centre - Sligo Rd
Well North	\$ 842	\$ 684	\$ 879	\$ 2,405	Chamber of Commerce
Well North	\$ 1,116	\$ 907	\$ 1,166	\$ 3,189	CMHA Waterloo-Wellington
Well North	\$ 893	\$ 726	\$ 933	\$ 2,552	New Growth Family Centre/School
	\$ 37,508	\$ 19,616	\$ 39,196	\$ 96,319	

Average (Mean) Rebate	\$ 4,957
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Median Rebate	\$ 2,977
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* Property under appeal - Rebate on hold per by-law 5572-18

TAX REBATES FOR LEGION PROPERTIES

STAFF RECOMMENDATION:

THAT pursuant to section 3 (1) 15.1 of the *Assessment Act*, land that is used and occupied as a memorial home, clubhouse or athletic grounds by an Ontario branch of the Royal Canadian Legion is exempt from property taxes effective January 1, 2019

Legislative reference: *Assessment Act Section 3 (1) 15.1*

OVERVIEW

- Previously, the *Assessment Act* stated that the council of a municipality “may pass by-laws exempting from taxation, other than school taxes and local improvement rates, land that is used and occupied as a memorial home, clubhouse or athletic grounds by persons who served in the armed forces of His or Her Majesty or an ally of His or Her Majesty in any war.”
- An exemption under this section could not exceed 10 years but may be renewed at any time during the last year of the previous exemption by-law
- Commencing in 2018, the Province began a review of the tax treatment of Royal Canadian Legion properties. The *Assessment Act* has since been amended and pursuant to section 3 (1) 15.1 a full property tax exemption is prescribed for all Royal Canadian Legion properties in Ontario effective January 1, 2019. A Council by-law is no longer required.
- Given that the Regulation was not filed until after the return of the 2019 tax roll, the following table shows Legion property tax exemption write-offs for the 2019 taxation year

2019 Local and County taxes for Legion properties

<u>Municipality</u>	<u>2019 Local tax</u>	<u>2019 County tax</u>
Erin Town	\$ 1,748	\$ 3,649
Centre Well - Fergus	\$ 2,245	\$ 4,306
Centre Well - Elora	\$ 2,462	\$ 4,722
Mapleton - Drayton	\$ 767	\$ 994
Minto - Harriston	\$ 2,825	\$ 3,010
Minto - Palmerston	\$ 2,005	\$ 2,137
Well North - Mt Forest	\$ 1,950	\$ 2,399
Well North - Arthur	\$ 1,925	\$ 2,368
	<u>\$ 15,927</u>	<u>\$ 23,586</u>
Total Tax Rebate		\$ 39,453

TABLE ONE
2020 COUNTY OF WELLINGTON TAX RATIOS, DISCOUNTS AND RATES

Property Class/Subclass	Provincial Range of Fairness	Provincial Threshold ratio	Revenue Neutral ratio	2020 County Tax ratio	2020 Discounts	2020 County Tax Rates
Class						
residential/farm (RT)	1.0 to 1.0			1.000000		0.00614399
multi-residential (MT)	1.0 to 1.1	2.0000	1.9270	1.900000		0.01167358
new multi-residential (NT)	1.0 to 1.1	1.1000	1.1000	1.100000		0.00675839
farmland (FT)	0.01 to 0.25			0.250000		0.00153600
commercial (CT)	0.6 to 1.1	1.9800	1.4891	1.491000		0.00916069
industrial (IT)	0.6 to 1.1	2.6300	2.4058	2.400000		0.01474558
large industrial (LT)	0.6 to 1.1	2.6300	2.4058	2.400000		0.01474558
landfill (HF) PILT	0.6 to 1.1		1.4538	1.526000		0.00937573
pipeline (PT)	0.6 to 0.7		2.2854	2.250000		0.01382398
shopping centre (ST)	0.6 to 1.1	1.9800	1.4891	1.491000		0.00916069
managed forests (TT)	0.25 to 0.25			0.250000		0.00153600
parking lot (GT)	0.6 to 1.1	1.9800	1.4891	1.491000		0.00916069
new construction industrial (JT)	0.6 to 1.1	2.6300	2.4058	2.400000		0.01474558
new construction large industrial (KT)	0.6 to 1.1	2.6300	2.4058	2.400000		0.01474558
new construction commercial (XT)	0.6 to 1.1	1.9800	1.4891	1.491000		0.00916069
new construction office building (YT)	0.6 to 1.1	1.9800	1.4891	1.491000		0.00916069
new construction shopping centre (ZT)	0.6 to 1.1	1.9800	1.4891	1.491000		0.00916069
commercial small scale on farm (C7)	0.6 to 1.1	1.9800	1.4891	1.491000		0.00916069
new const comm small scale on farm (X7)	0.6 to 1.1	1.9800	1.4891	1.491000		0.00916069
industrial small scale on farm (I7)	0.6 to 1.1	2.6300	2.4058	2.400000		0.01474558
new const ind small scale on farm (J7)	0.6 to 1.1	2.6300	2.4058	2.400000		0.01474558
Subclass						
res/farm farmland class I (R1)	1.0 to 1.0			1.000000	25%	0.00460799
residential taxable shared (RH)	1.0 to 1.0			1.000000	0%	0.00614399
commercial excess land (CU)	0.6 to 1.1	1.9800	1.4891	1.491000	0%	0.00916069
commercial vacant land (CX)	0.6 to 1.1	1.9800	1.4891	1.491000	0%	0.00916069
commercial farmland class I (C1)	0.6 to 1.1	1.9800	1.0000	1.000000	25%	0.00460799
commercial taxable shared (CH)	0.6 to 1.1	1.9800	1.4891	1.491000	0%	0.00916069
comm vacant land taxable shared (CJ)	0.6 to 1.1	1.9800	1.4891	1.491000	0%	0.00916069
industrial taxable shared (IH)	0.6 to 1.1	2.6300	2.4058	2.400000	0%	0.01474558
industrial vacant land shared (IJ)	0.6 to 1.1	2.6300	2.4058	2.400000	0%	0.01474558
industrial excess land shared (IK)	0.6 to 1.1	2.6300	2.4058	2.400000	0%	0.01474558
industrial excess land (IU)	0.6 to 1.1	2.6300	2.4058	2.400000	0%	0.01474558
large ind excess land (LU)	0.6 to 1.1	2.6300	2.4058	2.400000	0%	0.01474558
new constr industrial excess land (JU)	0.6 to 1.1	2.6300	2.4058	2.400000	0%	0.01474558
new constr industrial vacant land (JX)	0.6 to 1.1	2.6300	2.4058	2.400000	0%	0.01474558
new constr large indust excess land (KU)	0.6 to 1.1	2.6300	2.4058	2.400000	0%	0.01474558
industrial vacant land (IX)	0.6 to 1.1	2.6300	2.4058	2.400000	0%	0.01474558
industrial farmland class I (I1)	0.6 to 1.1	2.6300	1.0000	1.000000	25%	0.00460799
industrial farmland class II (I4)	0.6 to 1.1	2.6300	2.4058	2.400000	0%	0.01474558
shopping centre excess land (SU)	0.6 to 1.1	1.9800	1.4891	1.491000	0%	0.00916069
new constr comm excess land (XU)	0.6 to 1.1	1.9800	1.4891	1.491000	0%	0.00916069
new constr office bldg excess land (YU)	0.6 to 1.1	1.9800	1.4891	1.491000	0%	0.00916069
new constr shopping ctr excess land (ZU)	0.6 to 1.1	1.9800	1.4891	1.491000	0%	0.00916069

TABLE TWO - COUNTY OF WELLINGTON

TAX RATIOS, THRESHOLDS, AND RANGES OF FAIRNESS

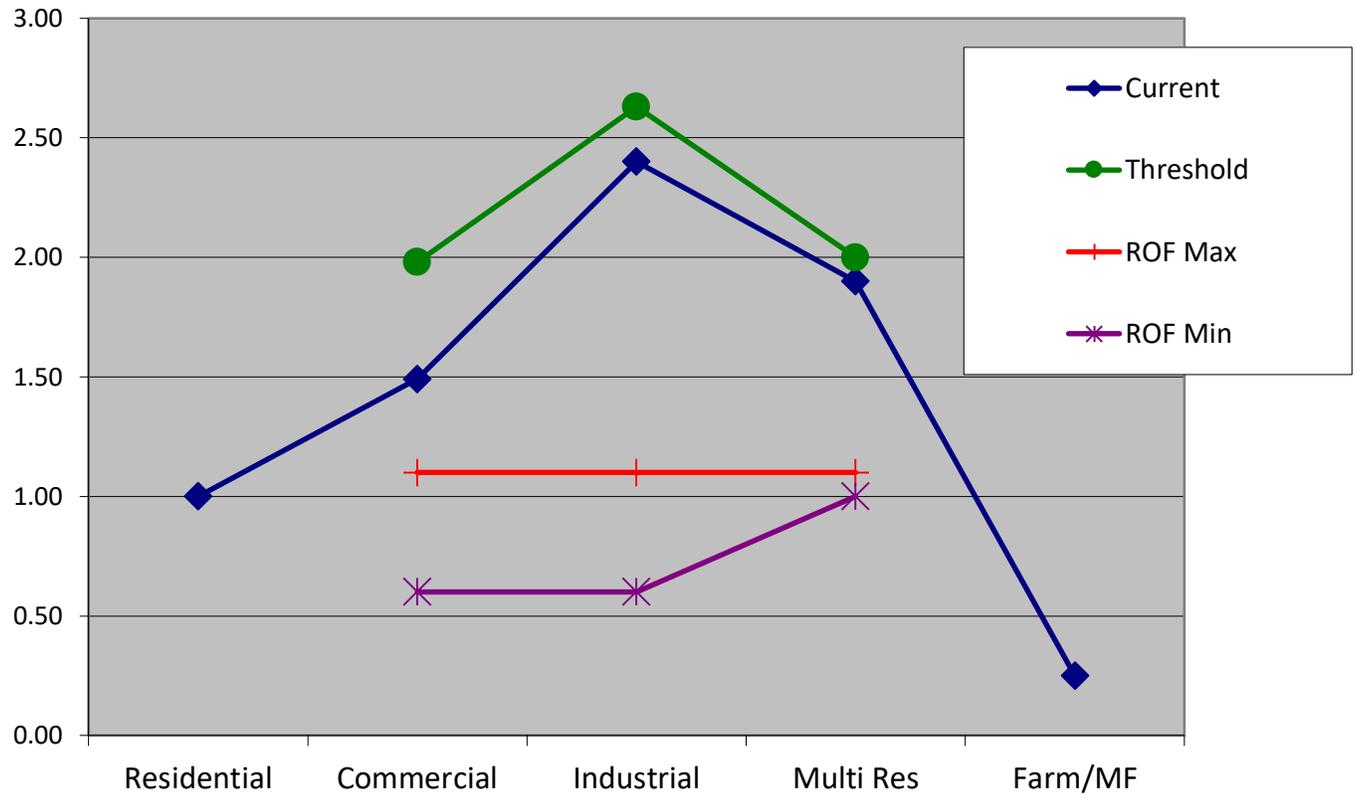


TABLE THREE - COUNTY OF WELLINGTON

**ESTIMATED REDISTRIBUTION OF UPPER TIER TAXES UNDER REVENUE NEUTRAL TRANSITION RATIOS
and PROPOSED 2020 TAX RATIOS BASED ON 2019 YEAR END TAX LEVY**

Property class	Revised 2019 Upper tier taxes	Upper-Tier Tax Redistribution					
		Current Tax Ratios	Reassessment Tax Impact	Revenue Neutral Transition Ratios	Revenue Neutral Tax Ratio Impact	Proposed Ratios (Landfill Maximum)	Reassessment & Proposed Ratio Tax Impact (Landfill max)
Residential	\$79,423,269	1.000000	(\$473,612)	1.000000	(\$493,132)	1.000000	(\$473,612)
Multi Residential	\$1,000,346	1.900000	(\$13,746)	1.926970	(\$76)	1.900000	(\$13,746)
Commercial	\$8,457,228	1.491000	\$13,032	1.489091	\$12	1.491000	\$13,032
Industrial	\$5,437,468	2.400000	(\$11,867)	2.405824	\$6	2.400000	(\$11,867)
Farmland	\$6,941,531	0.250000	\$491,894	0.250000	\$489,969	0.250000	\$491,894
Landfill (new class)	\$0	1.486000	\$0	1.453758	\$0	1.526000	\$0
Pipeline	\$585,346	2.250000	(\$8,944)	2.285459	\$1	2.250000	(\$8,944)
Managed Forest	\$89,828	0.250000	\$3,243	0.250000	\$3,220	0.250000	\$3,243
** total **	\$101,935,016		\$0		\$0		\$0

** total levy is based on revenue neutral 2019 levy at year end and excludes P-I-L-T **

** revised 2019 Upper tier taxes will be higher due to in-year growth & roll changes (supplementary assessment) **

** new Landfill property class was prescribed commencing in 2017. Landfill (HF) is not taxable, it is a PILT.

TABLE FOUR - COUNTY OF WELLINGTON

ESTIMATED REDISTRIBUTION OF UPPER TIER TAXES - 2020 LEVY AND PHASED IN CVA

Property class	2020 Upper tier taxes	Upper-Tier Tax Redistribution					
		Current Tax Ratios	Reassessment & Budget Tax Impact	Revenue Neutral Transition Ratios	Revenue Neutral Tax Ratio Impact	Proposed 2020 Ratios (Landfill Maximum)	Proposed Ratio Tax Impact (Landfill maximum)
Residential	\$81,797,914	1.000000	\$1,901,033	1.000000	\$1,861,315	1.000000	\$1,901,033
Multi Residential	\$1,022,193	1.900000	\$8,101	1.926970	\$35,938	1.900000	\$8,101
Commercial	\$8,775,847	1.491000	\$331,651	1.489091	\$305,152	1.491000	\$331,651
Industrial	\$5,621,345	2.400000	\$172,010	2.405824	\$196,196	2.400000	\$172,010
Farmland	\$7,701,537	0.250000	\$1,251,899	0.250000	\$1,247,768	0.250000	\$1,251,899
Pipeline	\$597,198	2.250000	\$2,907	2.285459	\$21,121	2.250000	\$2,907
Managed Forest	\$96,429	0.250000	\$9,844	0.250000	\$9,798	0.250000	\$9,844
** total **	\$105,612,463		\$3,677,445		\$3,677,288		\$3,677,445

TABLE FIVE - COUNTY OF WELLINGTON

**2019 Tax Ratio Comparison
Wellington County and Neighbouring Municipalities**

Municipality	Multi-Res	Commercial	Industrial	Farmland
Grey County (Normandy Township/ Southgate)	1.4412	1.3069	1.8582	0.2400
Dufferin (Grand Valley/ East Luther/Orangeville)	2.1500	1.2200	2.1984	0.2300
Town of Caledon (Peel Region)	1.7223	1.3475	1.5910	0.1708
Halton Region(Milton/Halton Hills)	2.0000	1.4565	2.3599	0.2000
City of Guelph	1.8254	1.8400	2.2048	0.2500
City of Hamilton	2.5671	1.9800	3.3696	0.1767
Waterloo Region(Cambrige/Woolwich/Wellesley)	1.9500	1.9500	1.9500	0.2500
Perth East & North Perth Twps (Perth)	1.4751	1.2469	1.9692	0.2500
Huron County *	1.1000	1.1000	1.1000	0.2500
Neighbouring Average	1.8035	1.4942	2.0668	0.2242
Neighbouring Average (excluding Huron County) *	1.8914	1.5435	2.1876	0.2209
County of Wellington 2019 Ratio	1.9000	1.4910	2.4000	0.2500
2020 Wellington Proposed Ratios (tba)	1.9000	1.4910	2.4000	0.2500

**2019 Tax Ratio Comparison
Wellington County and Southwest Regions/Countries**

County / Region	Multi-Res	Commercial	Industrial	Farmland
Bruce County	1.0000	1.2331	1.7477	0.2500
Brant County	1.7000	1.9000	2.5500	0.2400
Dufferin County	2.1500	1.2200	2.1984	0.2300
Grey County	1.4412	1.3069	1.8582	0.2400
Halton Region	2.0000	1.4565	2.3599	0.2000
Huron County *	1.1000	1.1000	1.1000	0.2500
Oxford County	2.1850	1.9018	2.6300	0.2350
Peel Region (Brampton)	1.7050	1.2971	1.4700	0.2500
Peel Region (Mississauga)	1.3461	1.5007	1.6266	0.2500
Perth County	1.4751	1.2469	1.9692	0.2500
Waterloo Region	1.9500	1.9500	1.9500	0.2500
Regional Average	1.6411	1.4648	1.9509	0.2405
Neighbouring Average (excluding Huron County) *	1.8731	1.4964	2.0327	0.2395
County of Wellington 2019 Ratio	1.9000	1.4910	2.4000	0.2500
2020 Wellington Proposed Ratios (tba)	1.9000	1.4910	2.4000	0.2500

* **NOTE:** Huron County underwent a complete reassessment during property tax reform in 1998. This resulted in lower than typical Provincially prescribed transition ratios.