



SUBJECT: 2020 TAX RATES

WARD: ALL

PREPARED BY AND KEY CONTACT: C. SMITH, SENIOR MANAGER, ACCOUNTING AND REVENUE, EXT. 5128

SUBMITTED BY: C. MILLAR, DIRECTOR OF FINANCE AND TREASURER

GENERAL MANAGER APPROVAL: D. MCALPINE, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES

CHIEF ADMINISTRATIVE OFFICER APPROVAL: M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RECOMMENDED MOTION

1. That the tax rates for the 2020 taxation year be established as identified in Appendix "A" to Staff Report FIN009-20.
2. That the final billing instalment due dates be extended to August 31 and October 30 for 2020 only.
3. That the instalment due dates for the pre-authorized monthly payment plan be extended to July 31, August 31, September 30, October 30, November 30, and December 31 for 2020 only.
4. That the City Clerk be authorized to prepare all necessary by-laws to establish the 2020 tax rates as described within Staff Report FIN009-20.

PURPOSE & BACKGROUND

Report Overview

5. The purpose of this report is to establish the 2020 tax rates based on the budgetary requirements approved in the 2020 Business Plan.
6. On December 9, 2019, Motion 19-G-352 (as amended) was approved by Council. It established the 2020 Business Plan total property tax levy requirement at \$249,726,073.
7. On June 1, 2020, Council approved FIN008-20 - 2020 Tax Ratios and Capping Policies. The 2020 tax rates are based on the approved recommendations from this report.

ANALYSIS

8. The 2020 tax rates are presented in Appendix A. The tax rates are calculated by determining the amount each property class needs to contribute based on established tax ratios in order to generate the property tax levy requirement of \$249,726,073.

-
9. It is anticipated that the final 2020 property tax bills will be issued in late June/early July. The instalment due dates proposed for the balance of 2020 are August 31, and October 30. As the late fee exemption expires on June 30, 2020, property owners with outstanding balances at that date will be required to pay if they want to avoid late fee charges in July. In order to be fair and reasonable, staff are recommending that the final billing due dates be extended from the standard end of June and September dates. These dates are recommended for 2020 only, to allow additional time for property owners to recover from the financial effects of Covid-19.
 10. Staff are also recommending an extension of the usual instalment dates for taxpayers participating in the City of Barrie's (City) pre-authorized monthly payment plan to July 31, August 31, September 30, October 30, November 30 and December 31, 2020. As in previous years, the final tax rate by-law will establish penalties and interest rates at 1.25% per month in accordance with the *Municipal Act, 2001*.
 11. In addition to collecting Municipal taxes, the City is also required to collect education taxes on behalf of the Province. The Province establishes the education rates each year under Ontario Regulation 400/98, as amended. Multi-residential, farm, and managed forest classes are included as part of the residential classification.
 12. The Province has completed a phase-out of the discount factors for Education Property Tax Rates for Commercial and Industrial vacant and excess land. At this time there is no change to the municipal discount factors for these subclasses; however, Council has approved a similar phase-out starting in 2021.
 13. Rates for utility transmission corridors and railway rights-of-way are also established by Provincial Regulation.
 14. Payment in lieu (PIL) of taxes are billed and collected in accordance with Provincial Regulation O. Reg. 382/98, as amended, based on assessed values from the Municipal Property Assessment Corporation (MPAC), and the tax rates that would be used if the properties were taxable. Properties that are subject to (PIL) of taxes are typically government owned properties, hospitals, and colleges/universities. For hospitals, PIL is calculated based on the number of beds, and for colleges/universities, the calculation is based on "heads" or number of students as supplied to the City.
 15. For a typical home assessed at \$351,000, the residential property bill will increase by approximately \$122, or 2.96%.

ENVIRONMENTAL AND CLIMATE CHANGE IMPACT MATTERS

16. There are no environmental or climate change impact matters related to the recommendation.

ALTERNATIVES

17. There are no alternatives for Council to consider in terms of the tax rates, as they are a prescribed calculation based on the tax levy, tax ratios, and tax policies approved by Council for 2020.
18. The following alternatives are available for consideration by General Committee:

Alternative #1 General Committee could choose to change the instalment due dates to September 30 and November 30.

This alternative is not recommended as it would pose a strain on the City's cash flow requirements.

Alternative #2 General Committee could choose to leave the monthly pre-authorized payment dates the same as last year which would be June through October.

This alternative is not recommended as it would not provide any relief to property owners in 2020.

FINANCIAL

19. There are no direct financial implications to the City associated with the recommendations regarding the tax rates. However, postponing a decision about the 2020 tax rates would create a delay in issuing the 2020 final property tax bills, which could create a financial constraint on the City's cash flows.

LINKAGE TO 2018-2022 STRATEGIC PLAN

20. This is an operational matter that is not specifically related to the goals identified in the 2018-2022 Strategic Plan.



APPENDIX "A" - 2020 PROPOSED TAX RATES

Property Class	Municipal Tax Rate	Education Rate	Total Rate	Total Municipal Levy (\$)	Total Education Levy (\$)	Total Levy (\$)
R - Residential Full	1.057221%	0.153000%	1.210221%	178,736,858	25,866,605	204,603,463
C - Commercial Full	1.515131%	0.980000%	2.495131%	27,636,059	17,875,246	45,511,305
C - Commercial Excess Land	1.060592%	0.980000%	2.040592%	760,636	702,837	1,463,473
C - Commercial Vacant Land	1.060592%	0.980000%	2.040592%	487,943	450,866	938,809
D - Office Building Full	1.515131%	0.980000%	2.495131%	788,849	510,235	1,299,084
D - Office Building Excess/Vacant Land	1.060592%	0.980000%	2.040592%	0	0	0
X/Y - Commercial/Office Building New Full	1.515131%	0.980000%	2.495131%	7,478,587	4,837,216	12,315,803
X/Y - Commercial/Office Building New Excess Land	1.060592%	0.980000%	2.040592%	295,257	272,821	568,078
F - Farm Full	0.264305%	0.038250%	0.302555%	65,686	9,506	75,192
I - Industrial Full	1.603094%	1.062384%	2.665478%	3,733,703	2,474,357	6,208,060
I - Industrial Vacant Land	1.042011%	1.062384%	2.104395%	1,478,182	1,507,083	2,985,265
I - Industrial Excess Land	1.042011%	1.062384%	2.104395%	49,775	50,748	100,523
J - Industrial New Construction Full	1.603094%	0.980000%	2.583094%	890,459	544,354	1,434,813
J - Industrial New Construction Vacant Land	1.042011%	0.980000%	2.022011%	0	0	0
J - Industrial New Construction Excess Land	1.042011%	0.980000%	2.022011%	33,487	31,494	64,981
L - Large Industrial Full	1.603094%	1.062384%	2.665478%	455,803	302,064	757,867
L - Large Industrial Excess Land	1.042011%	1.062384%	2.104395%	28,322	28,876	57,198
M - Multi-Residential Full	1.057221%	0.153000%	1.210221%	8,841,029	1,279,465	10,120,494
N - New Multi-Residential Full	1.057221%	0.153000%	1.210221%	1,617,686	234,110	1,851,796
P - Pipelines Full	1.167107%	0.980000%	2.147107%	460,471	386,649	847,120
S - Shopping Centre Full	1.515131%	0.980000%	2.495131%	11,440,637	7,399,905	18,840,542
S - Shopping Centre Excess Land	1.060592%	0.980000%	2.040592%	15,200	14,045	29,245
Z- Shopping Centre New Construction Full	1.515131%	0.980000%	2.495131%	4,394,802	2,842,597	7,237,399
Z- Shopping Centre New Construction Excess Land	1.060592%	0.980000%	2.040592%	34,580	31,952	66,532
T - Managed Forest Full	0.264305%	0.038250%	0.302555%	2,062	298	2,360
R - Residential Education Only	0.000000%	0.153000%	0.153000%	0	10,190	10,190
TOTAL				\$249,726,073	\$67,663,519	\$317,389,592