

CITY OF TORONTO

Bill 406

BY-LAW -2022

To amend By-law 126-2022 (2022 Final Tax Levy) to levy and collect taxes for school purposes for 2022, to establish tax decrease clawback rates for 2022.

Whereas paragraph 1 of subsection 257.7(1) of the Education Act, as amended, requires every municipality in each year to levy and collect the tax rates prescribed by the Minister of Finance for school purposes on residential property and business property taxable for school purposes in the municipality according to the last returned assessment roll; and

Whereas section 257.7(3) of the Education Act, as amended, provides, subject to regulation, that section 278 of the City of Toronto Act, 2006 (the "Act") which provides for percentage reductions of tax rates for subclasses of property classes, applies with necessary modifications with respect to the rates levied under section 257.7(1) on land in a municipality; and

Whereas Ontario Regulation 400/98, as amended, prescribes tax rates for school purposes for residential and business property taxable for school purposes for the 2022 taxation year; and

Whereas subsection 292(1) of the Act provides that the City may pass a by-law to have one or more of the paragraphs under that subsection apply in the calculation of the amount of taxes for municipal and school purposes payable in respect of property in the commercial, industrial and multi-residential property classes, which paragraphs have the effect of changing the basis upon which capped taxes are calculated and phasing-out comparable tax treatment for properties to which section 294 applies; and

Whereas pursuant to this by-law, the City is opting to make paragraph 1 of subsection 292(1) of the Act applicable to the City for 2022, thereby capping taxes in the commercial, industrial and multi-residential property class at the 2021 annualized taxes plus 10 percent of the 2021 annualized taxes; and

Whereas pursuant to this by-law, the City is opting to make paragraphs 3 and 4 of subsection 292(2) of the Act (as it has been modified by section 29.1 of the Regulation) applicable to the City for 2022, thereby adopting a threshold limit of \$500 so that properties that are within that threshold of their full current value assessment level of taxation in the current year will be taxed at their current value assessment level of taxation and are excluded from the capping and clawing back of taxes; and

Whereas section 293 of the Act provides that the City may pass a by-law to establish a percentage by which tax decreases are limited for 2022 in respect of properties in the commercial, industrial and multi-residential property classes in order to recover all or part of the revenues foregone as a result of the application of section 291 of the Act to other properties in the property class (the "Clawback Rates"), and that the same percentage must be established for

all properties in a property class but that different percentages may be established for different property classes; and

Whereas at its meeting of February 17, 2022, City Council enacted By-law 126-2022, being the City' Tax Levy By-law for 2022; and

Whereas City Council wishes to amend By-law 126-2022 to levy the prescribed 2022 tax rates for school purposes, to establish the Clawback Rates, to adopt the capping policies pursuant to subsection 292(1) of the Act;

The Council of the City of Toronto enacts:

1. By-law 126-2022 is amended as follows:

- (1) Changing Sections 5 – 10 to Sections 6 – 11 respectively.
- (2) Adding the following as the new Section 5:

For the 2022 taxation year, paragraphs 1 and 6 of subsection 292(1) of the Act, and paragraphs 3 and 4 of subsection 292(1) of the Act as modified by section 29.1 of the Regulation, shall apply in the calculation of the amount of taxes for municipal and school purposes payable in respect of property in the commercial, industrial and multi-residential property classes in the City of Toronto.

- (3) Section 6 is amended by adding subsections (3) and (4) as follows:
 - (3) There shall be levied and collected as taxes for school purposes on the assessment of all real property in the City of Toronto rateable for school purposes according to the assessment roll for 2022 and as finally altered, amended and corrected, in amounts calculated for each property class set out in Column I, the rate set out in Column II, which shall produce, when levied upon the total assessment for each property class as set out in Column 2 of Schedule B attached, the total tax levy for school purposes of \$2,128,186,311 , of which \$4,783,977 is to be retained by the City pursuant to Ontario Regulation 121/07:

| Column I | Column II |
|------------------------------------|---|
| Property Class | 2022 Tax Rates for Education Levy |
| Residential | 0.153000% |
| Multi-Residential | 0.153000% |
| New Multi-Residential | 0.153000% |
| Commercial General | 0.880000% |
| Commercial Shared Payment-in-Lieu | 0.980000% |
| Industrial | 0.880000% |
| Industrial Shared Payment-in -Lieu | 1.067220% |

| | |
|-----------------|-----------|
| Pipelines | 0.880000% |
| Farmlands | 0.038250% |
| Managed Forests | 0.038250% |

- (4) Tax decreases for the 2022 taxation year on properties in the City of Toronto whose taxes for municipal and school purposes for 2022 exceed their taxes for municipal and school purposes (as calculated in accordance with section 293 of the Act) in the property classes set out in Column 1 shall, in 2022 be limited by the percentage of the tax decrease set out in Column 2 in order to recover the revenues foregone as a result of the application of section 291 of the Act to other properties in the property class, so that the percentage of tax decrease set out in Column 3 is the decrease received in 2022 by such properties:

| Column I (Property Class) | Column II (Clawback Percentage) | Column III (Allowable Decrease) |
|------------------------------|---------------------------------------|---------------------------------------|
| Commercial | 81.187053% | 18.812947% |
| Industrial | 70.963057% | 29.036943% |
| Multi-residential | 100.00% | 0.00% |

- (4) by adding Appendix 1 of this By-law as Schedule B.

Enacted and passed on May , 2022.

Frances Nunziata,
Speaker

John D. Elvidge,
City Clerk

(Seal of the City)

Appendix 1
SCHEDULE B
Rateable Assessment for School Purposes

| Column 1 | Column 2 |
|--|--|
| (Property Class/Subclass) | (2022 Rateable Assessment for School Purposes) |
| Residential | 573,985,757,944 |
| Multi Residential | 50,868,229,121 |
| -Awaiting development (first subclass) | 22,547,100 |
| New Multi- Residential | 6,083,224,682 |
| Commercial | 104,947,769,398 |
| - Small business | 18,307,116,373 |
| -Excess Land | 611,231,105 |
| -Vacant Land | 1,737,245,200 |
| - Creative Co-location | 164,269,228 |
| - Shared Payment-in-Lieu | 208,083,690 |
| Industrial | 7,729,103,546 |
| -Excess Land | 50,859,821 |
| -Vacant Land | 497,268,300 |
| -Awaiting development (first subclass) | 23,846,400 |
| -Shared Payment-in-Lieu | 257,187,496 |
| Pipelines | 378,414,000 |
| Farmlands | 4,350,400 |
| Managed Forests | 4,403,300 |
| Total | 765,880,907,104 |