

Authority: Executive Committee Item EX12.1, adopted as amended, by City of Toronto Council on February 17, 2016

## **CITY OF TORONTO**

### **BY-LAW No. 136-2016**

#### **Tax Levy By-law for 2016.**

Whereas subsection 228(1) of the *City of Toronto Act, 2006*, as amended (the "Act"), provides for the City in each year to prepare and adopt a budget including estimates of all sums required during the year for the purposes of the City including amounts sufficient to pay all debts of the City falling due within the year, amounts required to be raised for sinking funds or retirement funds and amounts required for any board, commission or other body; and

Whereas the Council of the City of Toronto has adopted a budget for the City for 2016; and

Whereas section 277 of the Act provides that the general local municipality levy is the amount the City decides to raise in its budget for the year under section 228 on all rateable property in the City; and

Whereas subsection 277(2) of the Act provides that for the purposes of raising the general local municipality levy, the City shall, each year, pass a by-law levying a separate tax rate, as specified in the by-law, on the assessment in each property class in the City rateable for municipal purposes; and

Whereas O. Reg. 282/98, as amended, prescribes the residual commercial property class as an optional property class, which property class is comprised of land that would otherwise be in the commercial property class other than land in the office building property class, the shopping centre property class, the parking lots and vacant land property class or the professional sports facilities property class whether or not the municipality has opted to have all or any of those property classes apply within the municipality; and

Whereas subsection 279(1) of the Act provides that the City may, by by-law passed in the year to which it relates, establish two or three bands of assessment of property for the purposes of facilitating graduated tax rates for any one or more of the property classes included in the commercial classes, and set ratios that the tax rates for each band must bear to each other; and

Whereas subsection 279(3) of the Act provides that, instead of setting a single tax rate under section 277 for a property class for which bands are established, the City shall set a separate tax rate for each band, and subsection 279(5) of the Act provides that the taxes for municipal purposes on a property shall be determined by applying the tax rate for each band to the portion of the assessment of the property within that band; and

Whereas pursuant to § 767-16 of The City of Toronto Municipal Code Chapter 767, Taxation, Property Tax ("Chapter 767"), City Council has opted to have the residual commercial property class apply within the City of Toronto; and

Whereas subsection 278(3) of the Act provides that the City shall specify, by by-law, the percentage reductions of the tax rates for municipal purposes for subclasses of property classes

prescribed by regulation where the regulations require tax rates to be reduced by a percentage within a range described in the regulations; and

Whereas subsection 275(2) of the Act provides that the City must establish a set of tax ratios in accordance with section 275; and

Whereas subsection 277(7) of the Act provides that the tax rates to be levied on property in a property class in which the tax ratio or average tax ratio for that property class exceed the prescribed threshold ratios for that property class must be determined in the prescribed manner; and

Whereas the City's tax ratios for the commercial, industrial and multi-residential property classes exceed the threshold ratios prescribed by O. Reg. 121/07 (the "Regulation") for those property classes; and

Whereas the Regulation, as amended, prescribes the method for calculating tax rates for the commercial, industrial and multi-residential property classes for the City under subsection 277(7) of the Act, which method for calculating such tax rates is prescribed by subsection 3(4) of the Regulation as allowing for a general levy tax rate increase by election of the City on the commercial, industrial and multi-residential property classes up to a maximum of half of any tax rate increase on the residential property class in a qualifying year; and

Whereas it is anticipated that the Regulation will be amended to make 2016 a "qualifying year" for the purposes of the prescribed method for calculating tax rates for commercial, industrial and multi-residential property classes under subsection 3(4) of the Regulation; and

Whereas the tax rates for the commercial, industrial and multi-residential property classes for the City for 2016, as levied by this by-law, are in accordance with the anticipated method prescribed by the Regulation for calculating the tax rates for 2016; and

Whereas subsection 9(2) of the Regulation, as amended, provides that the tax rate for the commercial class and the industrial class may be greater than would be allowed under subsection 277(6) and Part XII of the Act, to the extent necessary to raise an amount sufficient to fund tax rebates to eligible charities occupying commercial and industrial properties under section 329 of the Act; 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 paragraphs 2 and 6 of subsection 292(1) of the Act applicable to the City for 2016, thereby capping taxes in the commercial, industrial and multi-residential property class at the 2015 taxes plus 5% of the uncapped taxes, and taxing eligible properties under section 294 of the Act at 100% of uncapped taxes; and

Whereas section 7.1 of the Regulation provides that a property is exempt from the application of Part XII of the Act for a taxation year if a by-law has been enacted by the City that provides that this section applies within the City for the year, and the by-law so enacted may require that any of a number of conditions set out in subsection 7.1(2) of the Regulation be met in order for a property to be exempt from the application of Part XII; and

Whereas pursuant to this by-law, the City is opting to make section 7.1 of the Regulation applicable to the City for 2016, thereby providing that properties which meet any of the conditions set out in subsection 7.1(2) of the Regulation are exempt from the application of the capping and clawback regime of Part XII of the Act; and

Whereas section 307 of the Act provides that the City may pass a by-law providing for the payment of taxes by instalments and establishing due dates for such instalments, and alternative instalments and due dates;

The Council of the City of Toronto enacts:

1. There shall be two bands of assessment for the Residual Commercial property class as set out below in Column I, with portions of assessed values for each such band as set out below in Column II, and ratios consisting of the tax rate of one band as it relates to the tax rate of the other band as set out below in Column III:

Column I (Band)	Column II (Portion of assessed value)	Column III (Ratios)
Band 1	Less than or equal to \$1,000,000	0.8622076
Band 2	Greater than \$1,000,000	1.0000000

2. The tax ratios for 2016 for each property class set out in Column I shall be established as the amount set out in Column II:

Column I (Property Class)	Column II (2016 Tax Ratio)
Residential	1.000000
Multi-Residential	2.904442
New Multi-Residential	1.000000
Commercial	2.904442
Commercial Residual - Band 1	2.504232
Commercial Residual - Band 2	2.904442
Industrial	2.904442
Pipelines	1.923564
Farmlands	0.250000
Managed Forests	0.250000

3. There shall be levied and collected as taxes on the assessment of all real property in the City of Toronto rateable for local municipal purposes according to the assessment roll for 2016 and as finally altered, amended and corrected, which property is classified in a subclass set out in Column II of the property class set out in Column I, the rates levied by section 5 hereof for that property class reduced by the percentage set out in Column III below:

Column I (Property Class)	Column II (Subclasses of Column I)	Column III (Percentage Reduction)
Residential	- Farmland Awaiting Development (First Subclass)	60% of Residential/Farm rate
	(Second Subclass)	0% of Residential/Farm rate
Multi-Residential	- Farmland Awaiting Development (First Subclass)	90% of Residential/Farm rate
	(Second Subclass)	0% of Residential/Farm rate
Commercial	- Excess Land	30% of Commercial rate
	- Vacant Land	30% of Commercial rate
	- Farmland Awaiting Development (First Subclass)	90% of Commercial rate
	(Second Subclass)	30% of Commercial rate
Commercial Residual - Band 1	- Excess Land	30% of Commercial rate
	- Farmland Awaiting Development (First Subclass)	90% of Commercial rate
	(Second Subclass)	30% of Commercial rate
Commercial Residual - Band 2	- Excess Land	30% of Commercial rate
	- Farmland Awaiting Development (First Subclass)	90% of Commercial rate
	(Second Subclass)	30% of Commercial rate
Industrial	- Excess Land	35% of Industrial rate
	- Vacant Land	35% of Industrial rate
	- Farmland Awaiting Development (First Subclass)	94% of Industrial rate
	(Second Subclass)	35% of Industrial rate

4. The City of Toronto elects to apply a different tax rate for the general levy for the 2016 taxation year for the multi-residential, commercial and industrial property classes, pursuant to subsection 3(4) of the Regulation, as amended, and the tax rates established by section 5 for the multi-residential, commercial and industrial property classes do not exceed the maximum allowable tax rate for each of those classes under subsection 3(4) of the Regulation.
5. (1) There shall be levied and collected as a general local municipal levy on the assessment of all real property in the City of Toronto rateable for local municipal purposes according to the assessment roll for 2016 and as finally altered, amended and corrected, in amounts calculated for each property class set out in Column I, the total general local municipal levy tax rates set out in Column VI (which is a total of the various rates set out in Columns II, III, IV and V), which shall produce, when levied upon the total assessment for each property class as set out in Column II of Schedule "A" attached hereto, the general local municipal levy of \$3,971,921,484.

Column I Property Class	Column II 2016 Tax Rate for Base General Local Municipal Levy before Graduated Tax Rates	Column III 2016 Tax Rate for General Local Municipal Levy after Graduated Tax Rates	Column IV 2016 Additional Tax Rate to Fund Budgetary Levy Increase	Column V 2016 Additional Tax Rate (reflects the 2016 increase to Fund Scarborough Subway)	Column VI 2016 Ending Municipal Tax Rate (excluding Charity Rebates)
Residential	0.4906507%	0.4906507%	0.0063785%	0.0029439%	0.4999731%
Multi-Residential	1.4430037%	1.4430037%	0.0062530%	0.0028860%	1.4521427%
New Multi-Residential	0.4906507%	0.4906507%	0.0063785%	0.0029439%	0.4999731%
Commercial	1.4430037%	1.4430037%	0.0062530%	0.0028860%	1.4521427%
Residual Commercial - Band 1	1.3591024%	1.2441688%	0.0053914%	0.0024883%	1.2520485%
Residual Commercial - Band 2	1.3591024%	1.4430037%	0.0062530%	0.0028860%	1.4521427%
Industrial	1.4430037%	1.4430037%	0.0062530%	0.0028860%	1.4521427%
Pipelines	0.9437980%	0.9437980%	0.0122694%	0.0056628%	0.9617302%
Farmlands	0.1226627%	0.1226627%	0.0015946%	0.0007360%	0.1249933%
Managed Forests	0.1226627%	0.1226627%	0.0015946%	0.0007360%	0.1249933%

- (2) There shall be levied and collected as an additional general local municipal levy on the assessment of all real property in the City of Toronto in the property classes set out in Column I rateable for municipal purposes according to the assessment roll for 2016 and as finally altered, amended and corrected, the additional general local municipal tax rates set out in Column II, which shall produce, when levied upon the total assessment for each of the commercial and residual commercial classes as set out in Column II of Schedule "A" attached hereto, the additional general local municipal levy of \$7,157,418 to fund the total estimated tax rebates to eligible charities in 2016.

Column I	Column II
Property Classes	2016 Additional Tax Rate to Fund Rebates to Eligible Charities
Commercial General	0.0077175%
Residual Commercial - Band 1	0.0066540%
Residual Commercial - Band 2	0.0077175%

6. Section 7.1 of the Regulation applies in the City of Toronto for the 2016 taxation year, and a property is exempt from the application of Part XII of the Act if any of the conditions set out in subsection 7.1(2) of the Regulation applies.
7. For the 2016 taxation year, paragraph 2 and paragraph 6 of subsection 292(1) of the Act 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.
8. Subject to sections 9 and 10, all taxes shall be paid in 3 instalments which shall be equal or as nearly equal as practicable, and shall be due and payable on or before the respective dates set out below:
- Instalment 1 - July 4, 2016  
 Instalment 2 - August 2, 2016  
 Instalment 3 - September 1, 2016
9. Under the City's monthly pre-authorized property tax payment program, and provided the Treasurer has received and approved a taxpayer's request to use the alternative instalments and due dates under that program, the payment of taxes shall, subject to the provisions of Chapter 767, be paid in 6 instalments which shall be equal or as nearly equal as practicable, and shall be due and payable on or before the respective alternative dates set out below:
- Instalment 1 - July 15, 2016  
 Instalment 2 - August 15, 2016  
 Instalment 3 - September 15, 2016  
 Instalment 4 - October 17, 2016  
 Instalment 5 - November 15, 2016  
 Instalment 6 - December 15, 2016

- 10.** Under the City's two instalment pre-authorized property tax payment program, and provided the Treasurer has received and approved a taxpayer's request to use the alternative instalments and due dates under that program, the payment of the taxes shall, subject to the provisions of Chapter 767, be paid in one instalment, and shall be due and payable on or before July 4, 2016.
- 11.** The payment of taxes, or any instalment thereof, may be made at the following locations:
- 399 The West Mall  
5100 Yonge Street  
150 Borough Drive  
100 Queen Street West  
850 Coxwell Avenue  
2700 Eglinton Avenue West
- 12.** (1) Subject to subsection (2), this by-law shall come into force on the day it is enacted.
- (2) Sections 4 and 5 of this by-law shall come into force on the day a regulation is filed amending the Regulation to amend the definition of "qualifying year" in subsection 1(1) to include 2016.

Enacted and passed on February 17, 2016.

Frances Nunziata,  
Speaker

Ulli S. Watkiss,  
City Clerk

(Seal of the City)

**SCHEDULE "A"**  
Rateable Assessment for Municipal Purposes

Column I (Property Class/Subclass)	Column II (2016 Rateable Assessment For Municipal Purposes)
Residential	405,850,810,526
Multi-Residential	32,370,618,845
-Awaiting Development (first subclass)	13,516,480
New Multi-Residential	1,594,867,344
Commercial	47,824,997,065
-Excess Land	47,595,207
-Vacant Land	1,738,690,336
Commercial Residual - Band 1	19,534,344,051
-Excess Land	41,825,902
-Awaiting Development (first subclass)	258,000
Commercial Residual - Band 2	26,480,628,071
-Excess Land	455,678,739
Industrial	7,515,230,566
-Excess Land	100,552,905
-Vacant Land	493,900,625
-Awaiting Development (first subclass)	31,595,000
Farmlands	20,897,400
Pipelines	328,155,000
Managed Forests	2,691,800
<b>TOTAL</b>	<b>544,446,853,862</b>