

Authority: Executive Committee Item EX24.11, adopted as amended, by City of Toronto Council on April 26, 27 and 28, 2017

## CITY OF TORONTO

### BY-LAW 450-2017

#### **To amend By-law 120-2017 to levy and collect taxes for school purposes for 2017 and to establish tax decrease clawback rates for 2017.**

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 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, and is expected to be amended shortly to prescribed tax rates for school purposes of the City of Toronto for the 2017 taxation year; 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 2017 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 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

Whereas pursuant to this by-law, the City is opting to make paragraphs 2 and 3 of subsection 292(1) of the Act, as modified by subsection 29(1.1) and section 29.1 of Ontario Regulation 121/07 applicable to the City for 2016, thereby capping taxes in the commercial, industrial and multi-residential property class at the 2016 taxes plus 10% of the uncapped taxes, and taxing properties at their full uncapped taxes if their uncapped taxes exceed their capped taxes by \$500 or less; 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 at its meeting of February 15 and 16, 2017, City Council enacted By-law 120-2017, being the City's Tax levy By-law for 2017; and

Whereas City Council wishes to amend By-law 120-2017 to levy the prescribed 2017 tax rates for school purposes, to establish the Clawback Rates, to adopt the capping policies pursuant to subsection 292(1) of the Act, and to make other technical adjustments;

The Council of the City of Toronto enacts:

**1. Section 6 of By-law 120-2017 is amended by:**

- (1) Amending subsection (1) by deleting "\$4,087,125,122" and substituting "\$4,101,170,747".
- (2) Adding the following as subsections (3) and (4):
- (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 2017 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 II of Schedule B attached hereto, the total tax levy for school purposes of \$2,132,247,418, of which \$8,276,027.60 is to be retained by the City pursuant to Ontario Regulation 121/07:

Column I (Property Class/Subclass)	Column II (Tax Rate)
Residential	0.179000%
Multi-Residential	0.179000%
New Multi-Residential	0.179000%
Commercial	1.140000%
Commercial (New Construction)	1.140000%
Office Building (New Construction)	1.140000%
Shopping Centre (New Construction)	1.140000%
Industrial	1.216415%
Industrial (New Construction)	1.140000%
Pipelines	1.390000%
Farmlands	0.044750%
Managed Forests	0.044750%

- (4) Tax decreases for the 2017 taxation year on properties in the City of Toronto whose taxes for municipal and school purposes for 2017 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 I shall, in 2017, be limited by the percentage of the tax decrease set out in Column II 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 III is the decrease received in 2017 by such properties:

Column I (Property Class)	Column II (Clawback Percentage)	Column III (Allowable Decrease Percentage)
Commercial	67.287231%	32.712769%
Industrial	39.780545%	60.219455%
Multi-residential	18.327323%	81.672677%

2. Section 7 of By-law 120-2017 is deleted and replaced with the following:

For the 2017 taxation year, paragraphs 2, 3 and 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.

3. By-law 120-2017 shall be amended by adding Appendix 1 of this By-law as Schedule B of By-law 120-2017.
4. (1) Subject to subsection (2), this By-law shall come into force on the day it is enacted.
- (2) Section 2 of this By-law shall come into force on the day a Regulation is filed prescribing the tax rates for school purposes for the 2017 taxation year for the City of Toronto at the rates set out in Section 2.

Enacted and passed on April 28, 2017.

Frances Nunziata,  
Speaker

Ulli S. Watkiss,  
City Clerk

(Seal of the City)

**Appendix 1**

**SCHEDULE B  
Rateable Assessment for School Purposes**

Column I (Property Class/Subclass)	Column II (2017 Rateable Assessment For School Purposes)
Residential	441,949,093,501
Multi Residential	36,541,511,242
-Awaiting development (first subclass)	15,774,135
New Multi- Residential	1,787,501,586
Commercial	95,669,143,658
-Excess Land	505,866,725
-Vacant Land	1,296,059,336
-Awaiting development (first subclass)	264,500
Commercial (new construction)	2,994,706,365
-Excess Land	25,311,054
-Vacant Land	3,398,250
Office Building (new construction)	2,227,809,939
-Excess Land	-
Shopping Centre (new construction)	585,996,505
-Excess Land	322,963
Industrial	7,486,598,012
-Excess Land	69,630,346
-Vacant Land	548,477,742
-Awaiting development (first subclass)	35,551,425
-Awaiting Development (second subclass)	-
Industrial (new construction)	36,520,900
Pipelines	336,766,000
Farmlands	21,651,354
Managed Forests	4,099,475
<b>TOTAL</b>	<b>592,142,055,013</b>