

Authority: Executive Committee Item EX12.1, adopted as amended, by City of Toronto Council on February 17, 2016 and Executive Committee Item EX13.1, adopted as amended, by City of Toronto Council on February 19, 2020

CITY OF TORONTO

BY-LAW 205-2020

Tax Levy By-law for 2020.

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 2020; 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 section 23.0.2(2) of Ontario Regulation 282/98 allows the City to annually pass a by-law that opts to have the creative enterprise facilities subclass apply; and

Whereas the City has opted to have the creative enterprise facilities subclass apply for each of the Commercial, Commercial Residual and the Industrial property classes commencing in 2018, renaming it the Creative Colocation Facilities Subclass, and reducing taxes for properties in that subclass by 50 percent; 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 2.2(4) of Ontario Regulation 121/07, as amended (the "Regulation") provides that if this section applies in the City, the City may establish tax ratios for the relevant property classes that are greater than the unadjusted tax ratios but not greater than the transition ratio, and for the purpose of such calculations, in a qualifying year the City may elect to exclude the assessment of a property from the total assessment of the property class if the current value of the property has either increased by 100 percent or more, or has decreased by 25 percent or more; and

Whereas it is anticipated that the Regulation will be amended to make 2020 a "qualifying year" for the purposes of subsection 2.2(4) of the Regulation; and

Whereas the City elects to use the methodology prescribed by paragraph 2 of subsection 2.2(4) of the Regulation; and

Whereas subsection 19(4) of the Regulation permits the City to adjust the total assessment for property in a property class for the purposes of calculating the notional tax rate so that the total assessment excludes changes to the tax roll for 2019 resulting from various prescribed assessment-related losses; and

Whereas the City elects to make the adjustment to the total assessment anticipated to be prescribed by subsection 19(4) of the Regulation; 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 the Regulation for those property classes; and

Whereas the Regulation 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 2020 a "qualifying year" for the purposes of the prescribed method for calculating tax rates for the commercial and industrial property classes under subsection 3(4) of the Regulation, but will not allow increases in the tax rate for the multi-residential property classes for 2020; and

Whereas the tax rates for the commercial, industrial and multi-residential property classes for the City for 2020, as levied by this by-law, are in accordance with the anticipated method prescribed by the Regulation for calculating the tax rates for 2020; 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 opted to make paragraph 6 of subsection 292(1) of the Act applicable to the City for 2016 all future years, thereby taxing eligible properties under section 294 of the Act at 100 percent of uncapped taxes; 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 2020, thereby capping taxes in the commercial, industrial and multi-residential property class at the 2019 annualized taxes plus 10 percent of the 2019 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 2020, 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 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 1, with portions of assessed values for each such band as set out below in Column 2, 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 3:

Column 1 (Band)	Column 2 (Portion of assessed value)	Column 3 (Ratios)
Band 1	Less than or equal to \$1,000,000	0.916305
Band 2	Greater than \$1,000,000	1.000000

2. (1) For the purpose of calculating tax ratios, the City elects to use the methodology prescribed by subsection 2.2(4) of the Regulation by excluding the assessment of a property from the total assessment of the property class if the current value of the property has either increased by 100 percent or more, or has decreased by 25 percent or more.
- (2) For the purposes of calculating the notional tax rate, the City elects pursuant to subsection 19(4) of the Regulation to adjust the total assessment for property in a property class so that the total assessment excludes changes to the tax roll for 2020 resulting from various prescribed assessment-related losses.
3. The tax ratios for 2020 for each property class set out in Column 1 shall be established as the amount set out in Column 2:

Column 1 (Property Class)	Column 2 (2020 Tax Ratios)
Residential	1.000000
Multi-Residential	2.178843
New Multi-Residential	1.000000
Commercial General	2.700000
Residual Commercial –Band 1	2.619000
Residual Commercial –Band 2	2.619000
Industrial	2.683811
Pipeline	1.923563
Farmlands	0.250000
Managed Forests	0.250000

4. (1) The City of Toronto elects to adopt the application of the Creative Co-location Facilities subclasses for the Commercial, Commercial Residual and Industrial property classes for 2020.
- (2) 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 2020 and as finally altered, amended and corrected, which property is classified in a subclass set out in Column 2 of the property class set

out in Column 1, the rates levied by section 5 hereof for that property class reduced by the percentage set out in Column 3 below:

Column 1 (Property Class)	Column 2 (Subclasses of Column 1)	Column 3 (Percentage Reduction)
Residential	- Farmland Awaiting Development (First Subclass)	60 percent of Residential/Farm rate
	(Second Subclass)	0 percent of Residential/Farm rate
Multi-Residential	- Farmland Awaiting Development (First Subclass)	90 percent of Residential/Farm rate
	(Second Subclass)	0 percent of Residential/Farm rate
Commercial	- Excess Land	30 percent of Commercial rate
	- Vacant Land	30 percent of Commercial rate
	-Creative Co-location Facility	50 percent of Commercial rate
	- Farmland Awaiting Development (First Subclass)	90 percent of Commercial rate
	(Second Subclass)	30 percent of Commercial rate
Commercial Residual - Band 1	- Excess Land	30 percent of Commercial Residual Band 1 rate
	-Creative Co-location Facility	50 percent of Commercial Residual Band 1 rate
	- Farmland Awaiting Development (First Subclass)	90 percent of Commercial Residual Band 1 rate
	(Second Subclass)	30 percent of Commercial Residual Band 1 rate
Commercial Residual - Band 2	- Excess Land	30 percent of Commercial Residual Band 2 rate
	-Creative Co-location Facility	50 percent of Commercial Residual Band 2 rate
	- Farmland Awaiting Development (First Subclass)	90 percent of Commercial Residual Band 2 rate
	(Second Subclass)	30 percent of Commercial Residual Band 2 rate
Industrial	- Excess Land	35 percent of Industrial rate
	- Vacant Land	35 percent of Industrial rate
	-Creative Co-location Facility	50 percent of Industrial rate

Column 1 (Property Class)	Column 2 (Subclasses of Column 1)	Column 3 (Percentage Reduction)
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	- Farmland Awaiting Development (First Subclass)	94 percent of Industrial rate
	(Second Subclass)	35 percent of Industrial rate

5. The City of Toronto elects to apply a different tax rate for the general levy for the 2020 taxation year for the commercial and industrial property classes, pursuant to subsection 3(4) of the Regulation, as amended, and the tax rates established by section 6 for the 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.
6. (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 2020 and as finally altered, amended and corrected, in amounts calculated for each property class set out in Column 1, the total general local municipal levy tax rates set out in Column 6 (which is a total of the various rates set out in Columns 3, 4 and 5), which shall produce, when levied upon the total assessment for each property class as set out in Column 2 of Schedule A attached, the general local municipal levy of \$4,556,628,843.

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Property Class	2020 Tax Rate for Base General Local Municipal Levy before Graduated Tax Rates	2020 Tax Rate for General Local Municipal Levy after Graduated Tax Rates	2020 Additional Tax Rate to Fund Budgetary Levy Increase	2020 Additional Tax Rate to fund City Building	2020 Ending Municipal Tax Rate (excluding Charity Rebates)
Residential	0.431598 percent	0.431598 percent	0.008632 percent	0.006474 percent	0.446704 percent
Multi-Residential	0.940384 percent	0.940384 percent	0.000000 percent	0.000000 percent	0.940384 percent
New Multi-Residential	0.431598 percent	0.431598 percent	0.008632 percent	0.006474 percent	0.446704 percent
Commercial General	1.165314 percent	1.165314 percent	0.011653 percent	0.008740 percent	1.185707 percent
Residual Commercial – Band 1	1.130354 percent	1.067783 percent	0.010678 percent	0.008008 percent	1.086469 percent
Residual Commercial – Band 2	1.130354 percent	1.165314 percent	0.011653 percent	0.008740 percent	1.185707 percent
Industrial	1.158327 percent	1.158327 percent	0.007722 percent	0.005792 percent	1.171841 percent

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Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Property Class	2020 Tax Rate for Base General Local Municipal Levy before Graduated Tax Rates	2020 Tax Rate for General Local Municipal Levy after Graduated Tax Rates	2020 Additional Tax Rate to Fund Budgetary Levy Increase	2020 Additional Tax Rate to fund City Building	2020 Ending Municipal Tax Rate (excluding Charity Rebates)
Pipelines	0.830205 percent	0.830205 percent	0.016604 percent	0.012453 percent	0.859262 percent
Farmlands	0.107899 percent	0.107899 percent	0.002158 percent	0.001618 percent	0.111675 percent
Managed Forests	0.107899 percent	0.107899 percent	0.002158 percent	0.001618 percent	0.111675 percent

- (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 1 rateable for municipal purposes according to the assessment roll for 2020 and as finally altered, amended and corrected, the additional general local municipal tax rates set out in Column 2, which shall produce, when levied upon the total assessment for each of the commercial, residual commercial, and industrial classes as set out in Column 2 of Schedule A attached, the additional general local municipal levy of \$7,732,710 to fund the total estimated tax rebates to eligible charities in 2020.

Column 1	Column 2
Property Classes	2020 Additional Tax Rate to Fund Rebates to Eligible Charities
Commercial General	0.006102 percent
Residual Commercial - Band 1	0.005591 percent
Residual Commercial - Band 2	0.006102 percent
Industrial	0.001825 percent

7. For the 2020 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.
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 2, 2020
Instalment 2 – August 4, 2020
Instalment 3 – September 1, 2020

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, 2020

Instalment 2 – August 17, 2020

Instalment 3 – September 15, 2020

Instalment 4 – October 15, 2020

Instalment 5 – November 16, 2020

Instalment 6 – December 15, 2020

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 2, 2020.

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 2(1), 5 and 6 of this by-law shall come into force on the day a regulation is filed amending the Regulation to make 2020 a qualifying year for the purposes of subsection 2.2(4) of the Regulation and for permitting the City to levy the 2020 tax rates for the commercial, industrial and multi-residential property classes that are levied by sections 5 and 6 of this by-law.

Enacted and passed on February 19, 2020.

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 (2020 Rateable Assessment For Municipal Purposes)
Residential	554,893,181,047
Multi Residential	51,433,350,545
Awaiting development (first subclass)	22,547,100
New Multi- Residential	3,873,084,431
Commercial	62,794,341,478
-Excess Land	47,635,578
-Vacant Land	1,894,825,100
-Awaiting development (first subclass)	
-Creative Co-location Facility	17,502,020
Commercial Residual Band 1	22,121,547,765
-Excess Land	35,967,827
-Vacant Land	
- Creative Co-location Facility	21,556,646
-Awaiting development (first subclass)	
Commercial Residual Band 2	39,246,803,408
-Excess Land	578,751,374
-Awaiting development (first subclass)	
- Creative Co-location Facility	12,060,754
Industrial	8,143,694,729
-Excess Land	66,641,389
-Vacant Land	785,086,600
-Awaiting development (first subclass)	23,846,400
Pipelines	374,173,000
Farmlands	4,685,000
Managed Forests	4,400,300
TOTAL	746,395,682,491