

Authority: Executive Committee 20.5, adopted as amended, by City of Toronto Council on February 2, 3 and 5, 2021; Executive Committee Item EX21.1, adopted as amended, by City of Toronto Council on February 18, 2021; and City of Toronto Municipal Code Chapter 767, Taxation, Property Tax

CITY OF TORONTO

BY-LAW 78-2021

Tax Levy By-law for 2021.

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 2021; 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 Ontario Regulation 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 pursuant to Article XI of Chapter 767, 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, defining eligibility, 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 2021 is 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 2020 resulting from various prescribed assessment-related losses; and

Whereas the City elects to make the adjustment to the total assessment 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

property class up to a maximum of half of any tax rate increase on the residential property class in a qualifying year; and

Whereas 2021 is 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; and

Whereas the tax rates for the commercial, industrial and multi-residential property classes for the City for 2021, as levied by this by-law, are in accordance with the method prescribed by the Regulation for calculating the tax rates for 2021; 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 paragraph 1 of subsection 292(1) of the Act applicable to the City for 2021, thereby capping taxes in the commercial, industrial and multi-residential property class at the 2020 annualized taxes plus 10 percent of the 2020 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 2021, 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	0.930895
Band 2	Greater than \$1,000,000	1.000000

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 2021 resulting from various prescribed assessment-related losses.
3. The tax ratios for 2021 for each property class set out in Column 1 shall be established as the amount set out in Column 2:

Column I Property Class	Column II (2021 Tax Ratios)
Residential	1.000000
Multi-Residential	2.098351
New Multi-Residential	1.000000
Commercial General	2.640000
Residual Commercial –Band 1	2.574300
Residual Commercial –Band 2	2.574300
Industrial	2.623305
Pipeline	1.923560
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 2021.

- (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 2021 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)	60 percent of Residential/Farm rate
	(Second Subclass)	0 percent of Residential/Farm rate
Commercial	Excess Land Vacant Land Creative Co-location Facility Farmland Awaiting Development (First Subclass)	30 percent of Commercial rate 30 percent of Commercial rate 50 percent of Commercial rate 60 percent of Residential/Farm rate
	(Second Subclass)	30 percent of Commercial rate
Commercial Residual - Band 1	Excess Land Creative Co-location Facility Farmland Awaiting Development (First Subclass)	30 percent of Commercial Residual Band 1 rate 50 percent of Commercial Residual Band 1 rate 60 percent of Residential/Farm 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)	60 percent of Residential/Farm 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
	Farmland Awaiting Development (First Subclass)	60 percent of Residential/Farm 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 2021 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 2021 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 \$4,671,171,586.

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Property Class	2021 Tax Rate for Base General Local Municipal Levy before Graduated Tax Rates	2021 Tax Rate for General Local Municipal Levy after Graduated Tax Rates	2021 Additional Tax Rate to Fund Budgetary Levy Increase	2021 Additional Tax Rate (reflects the 2021 increase to fund City Building)	2021 Ending Municipal Tax Rate (excluding Charity Rebates)
Residential	0.448154 percent	0.448154 percent	0.003137 percent	0.006722 percent	0.458013 percent
Multi-Residential	0.940384 percent	0.940384 percent	0.000000 percent	0.000000 percent	0.940384 percent
New Multi-Residential	0.448154 percent	0.448154 percent	0.003137 percent	0.006722 percent	0.458013 percent
Commercial	1.183126 percent	1.183126 percent	0.004141 percent	0.008873 percent	1.196140 percent
Residual Commercial - Band 1	1.153682 percent	1.101366 percent	0.003855 percent	0.008260 percent	1.113481 percent
Residual Commercial - Band 2	1.153682 percent	1.183126 percent	0.004141 percent	0.008873 percent	1.196140 percent
Industrial	1.175644 percent	1.175644 percent	0.002743 percent	0.005878 percent	1.184265 percent
Pipelines	0.862051 percent	0.862051 percent	0.006034 percent	0.012931 percent	0.881016 percent
Farmlands	0.112038 percent	0.112038 percent	0.000784 percent	0.001681 percent	0.114504 percent
Managed Forests	0.112038 percent	0.112038 percent	0.000784 percent	0.001681 percent	0.114504 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 2021 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 property classes as set out in Column 2 of

Schedule A attached, the additional general local municipal levy of \$5,099,803 to fund the total estimated tax rebates to eligible charities in 2021.

Column 1	Column 2
Property Classes	2021 Additional Tax Rate to Fund Rebates to Eligible Charities
Commercial General	0.004046 percent
Residual Commercial - Band 1	0.003767 percent
Residual Commercial - Band 2	0.004046 percent
Industrial	0.001081 percent

7. For the 2021 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, 2021
 Instalment 2 – August 3, 2021
 Instalment 3 – September 1, 2021
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, 2021
 Instalment 2 – August 16, 2021
 Instalment 3 – September 15, 2021
 Instalment 4 – October 15, 2021
 Instalment 5 – November 15, 2021
 Instalment 6 – December 15, 2021
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, 2021.

- 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.** This by-law shall come into force on the day it is enacted.

Enacted and passed on February 18, 2021.

Frances Nunziata,
Speaker

John D. Elvidge,
Interim City Clerk

(Seal of the City)

SCHEDULE A
Rateable Assessment for Municipal Purposes

Column I (Property Class/Subclass)	Column II (2021 Rateable Assessment For Municipal Purposes)
Residential	564,433,108,452
Multi Residential	50,739,454,516
- Awaiting development (first subclass)	22,547,100
New Multi- Residential	5,256,442,006
Commercial	62,239,369,175
- Excess Land	45,075,859
- Vacant Land	1,946,318,300
- Creative Co-location Facility	17,502,020
Commercial Residual Band 1	22,151,587,233
- Excess Land	36,010,105
- Creative Co-location Facility	53,235,109
Commercial Residual Band 2	39,003,511,125
- Excess Land	588,855,467
- Creative Co-location Facility	71,325,399
Industrial	8,115,769,349
- Excess Land	69,313,721
- Vacant Land	570,438,300
- Awaiting development (first subclass)	23,846,400
Pipelines	376,346,000
Farmlands	4,350,400
Managed Forests	4,400,300
TOTAL	755,768,806,336