

Authority: Executive Committee Item EX31.1, adopted as amended, by City of Toronto Council on February 12, 2018 and Executive Committee Item EX12.1, as adopted by City of Toronto Council on February 17, 2016

## **CITY OF TORONTO**

### **BY-LAW 166-2018**

#### **Tax Levy By-law for 2018.**

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 2018; 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 it is anticipated that a regulation will be enacted to allow the City to adopt a Creative Co-location facility subclass for each of the Commercial Residual and the Industrial property classes commencing in 2018; 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, 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 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 2017 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, 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 2018 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 2018; and

Whereas the tax rates for the commercial, industrial and multi-residential property classes for the City for 2018, as levied by this by-law, are in accordance with the anticipated method prescribed by the Regulation for calculating the tax rates for 2018; 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 6 of subsection 292(1) of the Act applicable to the City for 2018, thereby taxing eligible properties under section 294 of the Act at 100 percent of uncapped 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	0.9134504
Band 2	Greater than \$1,000,000	1.0000000

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 2018 resulting from various prescribed assessment-related losses.

3. The tax ratios for 2018 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 (2018 Tax Ratio)
Residential	1.0000000
Multi-Residential	2.5231058
New Multi-Residential	1.0000000
Commercial	2.8476492
Commercial Residual - Band 1	2.7000471
Commercial Residual - Band 2	2.7000471
Industrial	2.8359305
Pipelines	1.9235638
Farmlands	0.2500000
Managed Forests	0.2500000

4. (1) 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 2018 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% 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

Column 1 (Property Class)	Column 2 (Subclasses of Column 1)	Column 3 (Percentage Reduction)
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

- (2) The City of Toronto elects to adopt the application of the Creative Co-location Facilities subclasses for the Commercial Residual and Industrial property classes for 2018, and accordingly, 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 2018 and as finally altered, amended and corrected, which property is classified in the Creative Co-location Facilities subclass of each of the Commercial Residual and the Industrial property classes, the rates levied by section 6 hereof for that property class reduced 50 percent.
5. The City of Toronto elects to apply a different tax rate for the general levy for the 2018 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 2018 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 \$4,244,610,271.

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Property Class	2018 Tax Rate for Base General Local Municipal Levy before Graduated Tax Rates	2018 Tax Rate for General Local Municipal Levy after Graduated Tax Rates	2018 Additional Tax Rate to Fund Budgetary Levy Increase	2018 Additional Tax Rate (reflects the 2018 increase to fund City Building)	2018 Ending Municipal Tax Rate (excluding Charity Rebates)
Residential	0.4537090%	0.4537090%	0.0095279%	0.0022685%	0.4655054%
Multi-Residential	1.1447558%	1.1447559%	0.0000000%	0.0000000%	1.1447559%
New Multi-Residential	0.4537090%	0.4537090%	0.0095279%	0.0022685%	0.4655054%
Commercial	1.2920042%	1.2920042%	0.0135660%	0.0032300%	1.3088002%
Residual Commercial - Band 1	1.2250357%	1.1190094%	0.0117496%	0.0027975%	1.1335565%
Residual Commercial - Band 2	1.2250357%	1.2920042%	0.0135660%	0.0032300%	1.3088002%
Industrial	1.2751149%	1.2751149%	0.0090068%	0.0021445%	1.2862662%
Pipelines	0.8727383%	0.8727383%	0.0183275%	0.0043637%	0.8954295%
Farmlands	0.1134273%	0.1134273%	0.0023820%	0.0005671%	0.1163764%
Managed Forests	0.1134273%	0.1134273%	0.0023820%	0.0005671%	0.1163764%

- (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 2018 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, as set out in Column 2 of Schedule A attached, the additional general local municipal levy of \$5,502,286 to fund the total estimated tax rebates to eligible charities in 2018.

Column 1	Column 2
Property Classes	2018 Additional Tax Rate to Fund Rebates to Eligible Charities
Commercial General	0.0050504%
Residual Commercial - Band 1	0.0043742%
Residual Commercial - Band 2	0.0050504%

7. For the 2018 taxation year, 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 3, 2018  
Instalment 2 – August 1, 2018  
Instalment 3 – September 4, 2018
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 16, 2018  
Instalment 2 – August 15, 2018  
Instalment 3 – September 17, 2018  
Instalment 4 – October 15, 2018  
Instalment 5 – November 15, 2018  
Instalment 6 – December 17, 2018
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 3, 2018.
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 subsections (2) and (3), this by-law shall come into force on the day it is enacted.
- (2) Sections 5 and 6 of this by-law shall come into force on the day a regulation is filed amending the Regulation to permit the City to levy the 2018 tax rates for the commercial, industrial and multi-residential property classes that are levied by sections 5 and 6 of this by-law.
- (3) Subsection 4(2) of this by-law shall come into force on the day a regulation is filed to permit the election by the City of a Creative Co-location Facility Subclass for the Commercial Residual and Industrial Property Classes.

Enacted and passed on February 12, 2018.

Frances Nunziata,  
Speaker

Ulli S. Watkiss,  
City Clerk

(Seal of the City)



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

Column 1 (Property Class/Subclass)	Column 2 (2018 Rateable Assessment For Municipal Purposes)
Residential	479,527,146,785
Multi-Residential	40,980,490,944
-Awaiting Development (first subclass)	18,031,790
New Multi-Residential	2,001,244,571
Commercial	56,491,997,460
-Excess Land	44,483,522
-Vacant Land	1,450,525,376
Commercial Residual – Band 1	20,965,905,571
-Excess Land	32,758,330
-Awaiting Development (first subclass)	271,000
Commercial Residual – Band 2	32,894,874,506
-Excess Land	479,265,646
Industrial	7,766,779,640
-Excess Land	73,921,372
-Vacant Land	510,254,874
-Awaiting Development (first subclass)	37,170,700
Farmlands	22,112,933
Pipelines	354,440,549
Managed Forests	4,199,750
<b>TOTAL</b>	<b>643,655,875,319</b>