

Authority: Executive Committee Item EX4.6, adopted as amended, by City of Toronto Council on April 16 and 17, 2019 and Executive Committee Item EX2.1, as adopted by City of Toronto Council on March 7, 2019

CITY OF TORONTO

BY-LAW 591-2019

To amend By-law 394-2019 to levy and collect taxes for school purposes for 2019 and to establish tax decrease clawback rates for 2019.

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, subject to regulation, 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 percentage reductions for tax rates for school purposes for the vacant and excess land subclasses for 2019; and

Whereas Ontario Regulation 400/98, as amended, prescribes tax rates for school purposes for residential and business property taxable for school purposes for the 2019 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 2019 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 paragraph 1 of subsection 292(1) of the Act applicable to the City for 2019, thereby capping taxes in the commercial, industrial and multi-residential property class at the 2018 annualized taxes plus 10 percent of the 2018 annualized taxes; and

Whereas at its meeting of March 7, 2019, City Council enacted By-law 394-2019, being the City's Tax levy By-law for 2019; and

Whereas City Council wishes to amend By-law 394-2019 to levy the prescribed 2019 tax rates for school purposes, to establish the Clawback Rates, to adopt the capping policies pursuant to subsection 292(1) of the Act;

The Council of the City of Toronto enacts:

1. Section 4 of By-law 394-2019 is amended by:

- (1) deleting reference to "section 5" in subsection (2), and substituting reference to "section 6"; and
- (2) adding the following as subsection (3):
- (3) There shall be levied and collected as taxes on the assessment of all real property in the City of Toronto rateable for school purposes according to the assessment roll for 2019 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 6 hereof for that property class reduced by the percentage set out in Column 3 below, and for all other subclasses, the rates levied by section 6 hereof for that property class reduced by the same percentage reductions as set out in subsection (2):

Column 1 (Property Class)	Column 2 (Subclasses of Column 1)	Column 3 (Percentage Reduction)
Commercial	- Excess Land	15% of Commercial rate
	- Vacant Land	15% of Commercial rate
Commercial Residual	- Excess Land	15% of Commercial rate
	- Vacant Land	15% of Commercial rate
Industrial	- Excess Land	17.5% of Industrial rate
	- Vacant Land	17.5% of Industrial rate

2. Section 6 of By-law 394-2019 is amended by:

- (1) 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 2019 and as finally altered, amended and corrected, in amounts calculated for each property class set out in Column 1, the rate set out in Column 2, which shall produce, when levied upon the total assessment for each property class as set out in

Column 2 of Schedule B attached, the total tax levy for school purposes of \$2,242,074,103, of which \$5,579,390 is to be retained by the City pursuant to Ontario Regulation 121/07:

Column 1 (Property Class/Subclass)	Column 2 (Tax Rate)
Residential	0.161000%
Multi-Residential	0.161000%
New Multi-Residential	0.161000%
Commercial	1.030000%
Commercial (New Construction)	1.030000%
Commercial Residual	1.030000%
Commercial Residual (New Construction)	1.030000%
Industrial	1.110878%
Industrial (New Construction)	1.030000%
Pipelines	1.290000%
Farmlands	0.040250%
Managed Forests	0.040250%

- (4) Tax decreases for the 2019 taxation year on properties in the City of Toronto whose taxes for municipal and school purposes for 2019 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 1 shall, in 2019, be limited by the percentage of the tax decrease set out in Column 2 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 3 is the decrease received in 2019 by such properties:

Column 1 (Property Class)	Column 2 (Clawback Percentage)	Column 3 (Allowable Decrease)
Commercial	65.068190%	34.931810%
Industrial	50.130410%	49.869590%
Multi-residential	39.891946%	60.108054%

3. Section 7 of By-law 394-2019 is deleted and replaced with the following:

For the 2019 taxation year, paragraphs 1 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.

4. By-law 394-2019 shall be amended by adding Appendix 1 of this By-law as Schedule B of By-law 394-2019.

Enacted and passed on April 17, 2019.

Frances Nunziata,
Speaker

Ulli S. Watkiss,
City Clerk

(Seal of the City)

Appendix 1

**SCHEDULE B
Rateable Assessment for School Purposes**

Column 1	Column 2
(Property Class/Subclass)	(2019 Rateable Assessment For School Purposes)
Residential	516,891,671,626
Multi Residential	46,353,212,110
-Awaiting development (first subclass)	20,289,445
New Multi- Residential	2,544,400,790
Commercial	109,402,199,354
-Excess Land	625,965,206
-Vacant Land	1,561,968,020
-Awaiting development (first subclass)	277,500
- Creative Co-location Facility	30,611,441
Commercial (new construction)	4,173,275,879
-Excess Land	16,694,943
-Vacant Land	4,426,750
- Creative Co-location Facility	4,873,476
Office Building (new construction)	3,421,503,642
-Excess Land	-
Shopping Centre (new construction)	743,531,183
-Excess Land	340,988
Industrial	7,892,923,106
-Excess Land	71,309,056
-Vacant Land	571,641,629
-Awaiting development (first subclass)	22,744,800
-Awaiting Development (second subclass)	
Industrial (new construction)	57,495,216
-Excess Land	891,388
Pipelines	364,168,823
Farmlands	22,046,641
Managed Forests	4,300,025
TOTAL	694,802,763,037