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Minister of Finance | Ministre des Finances
PETER BETHLENFALVY

880-2025-1323

Steven Radenic
President
Ontario Municipal Tax and Revenue Association (OMTRA)
Steven.Radenic@milton.ca

Dear Mr. Radenic:

Thank you for your letter requesting a provincial reassessment. I appreciate you taking the time to write and for your congratulations on my recent re-election and reappointment as Minister of Finance.

The government understands that property taxation is the main revenue source for municipalities and that having an updated assessment base is a key priority. We are continuing our review of the property assessment and taxation system, focusing on fairness, affordability and business competitiveness. The review is also exploring modernized administration tools.

We have made good progress through this review and appreciate the constructive input received from municipalities, business representatives, property tax professionals and other stakeholders.

As we plan for the next reassessment, we must proceed in a balanced and responsible manner. This includes developing robust mitigation measures to ensure fairness and stability. We intend to seek input on the design of these measures while considering manageable timelines for introducing any changes.

That is why the government will continue to defer province-wide property reassessments until this work is complete. In the meantime, the Municipal Property Assessment Corporation (MPAC) continues to maintain the assessment roll and updates it annually to reflect changes such as new construction.

The *2025 Ontario Budget* outlined some early actions being taken based on input received through this review, such as:

- providing municipalities with the ability to reduce municipal tax rates on affordable rental housing

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- enabling MPAC to deliver assessment notices to property owners electronically
- creating regulatory authority to facilitate expanded municipal uses of MPAC's property assessment information

In addition, potential tools are being evaluated to help municipalities manage their assessment base. Work is also underway with MPAC to enable centralized online access to assessment roll information, eliminating the need for on-site viewing in municipal offices.

Municipalities receive "heads and beds" payment-in-lieu (PIL) of property taxes based on the number of persons attending or accommodated at each eligible institution. The current levy is \$75 per person, which was set in 1987. At this time, the government is not contemplating any changes to the "heads and beds" PIL of property taxes. However, we continue to provide a range of supports to municipalities, which also benefit from the economic and social advantages of hosting provincially supported institutions, including employment opportunities and having access to community-use facilities.

Regarding your recommendation to remove Schedule 2 and Schedule 3 from the property tax bill, the form and content of property tax bills are set out in regulation to ensure consistency across municipalities and to provide transparency to taxpayers. However, as part of our ongoing commitment to increase transparency in the property tax system, and given the opportunities presented by the current review, the government will take your recommendation into consideration.

I have noted your interest in discussing this topic further, and my staff would welcome the opportunity to speak with you. My Director of Tax and Expenditure, Miles White, is available to coordinate a meeting. He can be reached by email at miles.white@ontario.ca.

Thank you again for writing and sharing your input.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter Bethlenfalvy". The signature is fluid and cursive, with a large initial "P" and a stylized "B".

Peter Bethlenfalvy
Minister of Finance

c: Christopher Pearce, Assistant Deputy Minister, Provincial-Local Finance Division,
Ministry of Finance