

The Corporation of the City of Owen Sound

By-law No. 2022-XXX

A By-law to Adopt a Policy Respecting Taxes for the City of Owen Sound

WHEREAS a municipality may, in accordance with Section 329.1 of the *Municipal Act, 2001*, S.O. 2001 c.25, as amended (hereinafter referred to as the "Act"), and Ontario Regulation 73/03, as made and amended under the Act, modify the provisions and limits set out in Part IX of the Act, with respect to the calculation of taxes for municipal and school purposes for properties in the Multi-Residential, Commercial and Industrial property classes; and

WHEREAS the municipality may, in accordance with the terms and provisions of Ontario Regulation 73/03 as made and amended under the Act, pass a by-law ending the application of Part IX of the Act for the Multi-Residential and Industrial property classes; and

WHEREAS pursuant to an order under section 25.2 of the Act dated June 30, 2001 and Ontario Regulation 311/01 the Corporation of the City of Owen Sound (the "City") has maintained separate tax ratios from the County and establishes tax ratios pursuant to Ontario Regulation 311/01 and section 308(4) of the Act; and

WHEREAS Ontario Regulation 311/01 provides that the City shall establish and levy, with respect to each upper-tier levy of the County under Section 311 of the Act, a separate tax rate on the assessment in each property class in the City rateable for purposes of the upper-tier levy sufficient to raise the City's portion of the upper-tier levy; and

WHEREAS section 257.12 (1) of the *Education Act*, R.S.O. 1990, c. E.2 provides that the City shall establish tax rates to be levied for all property classes for school board purposes; and

WHEREAS section 220 (17) of the Act provides that the City shall levy rates on all persons assessed for business assessment in the area designated by By-law No. 1973-005 as an Improvement Area for the estimated expenditures determined by the Board of Management and approved by the Council of the City; and

WHEREAS section 342 of the Act provides that a municipality may pass by-laws providing for the payment of taxes in instalments and due dates; and

WHEREAS section 345 of the Act provides that a municipality may impose late payment charges in the form of penalties and interest for the non-payment of taxes or an instalment by the due date; and

WHEREAS City Council may deem it expedient and necessary to defer the imposition of all new penalties and interest charges during a declared emergency and as such reserve the ability to direct the Treasurer not to impose any such late payment charges for non-payment or late payment of taxes for a period specified by City Council; and

WHEREAS the pending resolution on May 30, 2022, City Council authorizes the adoption of a policy respecting taxes, in consideration of staff report CR-22-046; and

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE CITY OF OWEN SOUND HEREBY ENACTS AS FOLLOWS:

Part I. Interpretation

Short Title

1. This by-law shall be known as the "Tax Policy By-law".

Headings

2. The division of this by-law into parts and the insertion of headings are for convenient reference only and shall not affect interpretation of the by-law.

References to Applicable Law

3. All references to applicable law are ambulatory and apply as amended from time to time.

Definitions

4. For the purposes of this by-law:
"Act" means the *Municipal Act, 2001*, S.O. 2001, c. 25;
"City" means The Corporation of the City of Owen Sound;
"County" means The Corporation of the County of Grey;
"Education Act" means the *Education Act*, RSO 1990, c E.2 and
"Treasurer" means the Treasurer appointed by the City.

Part II. Optional Tools

Administering Limits for Certain Property Classes

5. Having determined that the eligibility requirements set out under Section 8.2 of Ontario Regulation 73/03 have been met in respect of the Multi-Residential and Industrial property classes, The Municipality opted to end the application of Part IX of the Act for these classes in 2016.
6. Having determined that the eligibility requirements set out under Section 8.3 of Ontario Regulation 73/03 have been met in respect of the Commercial property class, The Municipality opted to phase-out the application of Part IX of the Act for that class with 2020 being the first year after the completion of the four year phase-out.
7. Paragraphs 1, 2, and 3 of subsection 329.1 (1) of the Act shall apply to the Commercial property classes.
8. In determining the amount of taxes for municipal and school purposes for the year under subsection 329 (1) and the amount of the tenant's cap under subsection 332 (5), the greater of the amounts determined under paragraphs a) and b) as set out below shall apply in determining the amount to be added under paragraph 2 of subsection 329 (1), and the increasing amount under paragraph 2 of subsection 332 (5).
9. The percentage set out in subsections 329(1) paragraph 2 and 332(5) paragraph 2 of the Act shall be ten per cent (10%).
10. The amount of the uncapped taxes for the previous year shall be multiplied by 10 per cent (10%).

11. The amount of the taxes for municipal and school purposes for a property for a taxation year shall be:
 - a. the amount of the uncapped taxes for the property for the year if the amount of the uncapped taxes exceeds the amount of the taxes for municipal and school purposes for the property for the taxation year as determined under section, as modified under section 329.1 of the Act and this by-law, by five hundred dollars (\$500.00) or less.
12. Paragraphs 1, 2 and 3, of section 8.0.2 (2) of Ontario Regulation 73/03 shall apply to the Commercial property classes.
13. Properties shall be exempt from the capping calculations set out under Part IX of the Act. The capped taxes for the property in the previous year were:
 - a. equal to its uncapped taxes for that year;
 - b. lower than the property's uncapped taxes for that year, and the current year's capped taxes would be higher than the current year's uncapped taxes if Part IX were applied; and
 - c. higher than the property's uncapped taxes for that year, and the current year's capped taxes would be lower than the current year's uncapped taxes if Part IX were applied.

Administering Limits for Eligible Properties – New Construction

14. Paragraph 8 of subsection 329.1 (1) of the Act shall apply to the Commercial property class.
15. For all properties that become eligible within the meaning of subsection 331 (20) of the Act, the taxes for municipal and school purposes for the year or portion of the year shall be the greater of:
 - a. the amount of the taxes determined for the property for 2019 under subsection 331 (2), and
 - b. the amount of the uncapped taxes for the property for 2019 multiplied by one hundred per cent (100%).

Part III. Tax Ratios and Tax Rates

Establish Rates to be Levied Against the Assessment

16. The City shall levy upon the assessment values for all properties the tax rates for general purposes set out in Schedule A of this by-law.

Tax Ratios

17. That for the taxation year 2022, the tax ratio for property in:
 - a. the Residential property class is 1.000000;
 - b. the Multi-Residential property class is 1.677900;
 - c. the New Multi-Residential property class is 1.000000
 - d. the Commercial property class is 1.715420;
 - e. the Residual Industrial property class is 1.831000;
 - f. the Large Industrial property class is 1.831000;
 - g. the Pipelines property class is 2.959825;
 - h. the Farm property class is 0.250000;
 - i. the Farmland Awaiting Development property class is 1.000000; and
 - j. the Managed Forests property class is 0.250000.

Tax Rate Reductions

18. The tax reduction used to establish the ratios for the subclasses below is:

- a. 75% for the subclass designated as R1 (taxable at the Farm Awaiting Development Phase I rate – registered plan stage).
- 19. There shall be no tax reduction in establishing the ratios for the Vacant Land, Vacant Units or Excess land subclasses in either of the Commercial or Industrial property classes, effective the passing of this by-law.

Tax Rates Levied for School Board Purposes

- 20. The City shall levy upon all property classes the tax rate as prescribed by the Province of Ontario for school board purposes set out in Schedule B of this by-law.
- 21. The property tax levy for school board purposes raised from all property classes, as levied, shall be paid in accordance with the provisions of the *Education Act* and the Regulations made under it.

Estimates for the Sums Required for the County of Grey

- 22. The City adopts the sum of Eight Million, Five Hundred and Fifty Eight Thousand, Four Hundred and Seventy Six (\$8,558,476) as the estimates of the property tax levy required for County Purposes.
- 23. The City shall levy upon the assessment values for all properties that have been derived from the assessment rolls the tax rates for County purposes set out in Schedule C of this by-law.

Levy Rates on Business Classes for Downtown Improvement Area

- 24. For the purposes of the board of management of the business improvement area, the City shall levy the amounts calculated for each prescribed business property class and subclass set out in the table below:

Prescribed Business Class/Subclass	Rateable Assessment	Special Charge	Total Special Charge
Commercial	\$54,667,632	0.00455451%	\$248,984
Commercial Vacant Units & Excess Land	\$ 245,900	0.00455451%	\$ 1,120

Levy Rates for Utility Transmission Corridors

- 25. The City shall levy against utility transmission corridor acreage assessments the tax rate as prescribed by the Province for municipal and school board purposes.
- 26. The property tax levied by the City from utility transmission corridors for school board purposes be paid in accordance with the provisions of the *Education Act* and the Regulations passed thereunder.

Part IV. Method of Tax Payments

Timing

- 27. The balance of the rates and taxes assessed and levied respecting taxes in all wards and the Downtown Improvement Area levy shall be payable as follows:
 - a. the first instalment shall be payable on the 30th day of June, 2022.
 - b. the second instalment shall be payable on the 29th day of September, 2022.
- 28. If default is made in the payment of any instalment by the day named herein for payment thereof, the subsequent instalment or instalments shall forthwith become payable, and penalty will be charged in accordance with By-law No. 2019-106, as amended, at Schedule 'H' or, where applicable, any successor by-law thereto.

- 29. During a declared emergency, Council may deem it expedient and necessary to defer the imposition of all new penalties and interest discussed above for late payment or non-payment of taxes for a period to be specified by Council or for the duration of the declared emergency.

Pre-Authorized Tax Payment Plan

- 30. Payment may also be made in accordance with By-law No. 2013-094 which provides for an alternative pre-authorized tax payment plan.
- 31. No discount shall be allowed in respect of prepayment of the second instalment.

Tax Bill

- 32. The Treasurer shall send a tax bill to the taxpayer in accordance with section 343 of the Act and have regard to the timing, contents and address for delivery set out in the Act
- 33. Pursuant to the provisions of section 348 (1) of the Act, the Treasurer shall by February 28 in each year determine the position of every tax account as of December 31 of the preceding year.

Part V. Enactment

Enactment

- 34. This by-law shall come into full force and effect upon the final passing thereof at which time all by-laws, policies and resolutions that are inconsistent with the provisions of this by-law are hereby repealed insofar as it is necessary to give effect to the provisions of this by-law.

FINALLY PASSED AND ENACTED this 30th day of May, 2022.

Mayor Ian C. Boddy

Briana M. Bloomfield, City Clerk

Schedule A - Tax Rates and Estimates for City Levy

	RTC RTQ	2022 PHASE-IN Assessment	Tax Ratios	Sub-Class Discounts	Weighted/ Discounted CVA	2022 EFFECTIVE Tax Rates	Taxation	Total Taxes by Major Classes
Taxable								
Residential/Farm	RT	1,555,675,847	1.000000	1.00	1,555,675,847	0.01314860	20,454,959	20,454,959
Multi-residential	MT	147,059,067	1.677900	1.00	246,750,409	0.02206204	3,244,422	3,244,422
New Multi-Residential	NT	10,450,000	1.000000	1.00	10,450,000	0.01314860	137,403	137,403
Com. Occupied	CT	205,413,993	1.715420	1.00	352,371,272	0.02255537	4,633,189	
Com. Occupied - New Const	XT	41,536,209	1.715420	1.00	71,252,044	0.02255537	936,865	
Com. Excess Land	CU	1,241,481	1.715420	1.00	2,129,661	0.02255537	28,002	
Com. Vacant Land	CX	5,820,900	1.715420	1.00	9,985,288	0.02255537	131,293	
Com. Occupied - full - shared PIL	CH	619,000	1.715420	1.00	1,061,845	0.02255537	13,962	
Com Office Building Occupied	DT	1,308,400	1.715420	1.00	2,244,456	0.02255537	29,511	
Com Office - New Construction	YT	8,644,709	1.715420	1.00	14,829,307	0.02255537	194,985	
Com. Excess Land - New Const	XU	708,900	1.715420	1.00	1,216,061	0.02255537	15,990	
Com Shopping Centre Occupied	ST	44,004,767	1.715420	1.00	75,486,657	0.02255537	992,544	
Com Shopping Centre Excess Land	SU	463,300	1.715420	1.00	794,754	0.02255537	10,450	
Shopping Ctre (New Construction) - Full	ZT	11,294,300	1.715420	1.00	19,374,468	0.02255537	254,747	
Shopping Ctre (New Construction) - Excess Land	ZU	894,900	1.715420	1.00	1,535,129	0.02255537	20,185	
Parking Lot- Full	GT	89,000	1.715420	1.00	152,672	0.02255537	2,007	7,264,008
Ind. Farmland 1	l1	85,000	1.000000	0.25	21,250	0.00328715	279	
Ind. Occupied	IT	9,365,954	1.831000	1.00	17,149,062	0.02407509	225,486	
Industrial New - full rate	JT	2,003,000	1.831000	1.00	3,667,493	0.02407509	48,222	
Industrial New - excess/vacant land	JU	78,400	1.831000	1.00	143,550	0.02407509	1,887	
Ind. Excess Land	IU	101,300	1.831000	1.00	185,480	0.02407509	2,439	
Ind. Vacant Land	IX	3,530,400	1.831000	1.00	6,464,162	0.02407509	84,995	
Ind. Occupied - SHARED PIL	IH	576,500	1.831000	1.00	1,055,572	0.02407509	13,879	
Large Industrial Occupied	LT	16,727,500	1.831000	1.00	30,628,053	0.02407509	402,716	
Large Industrial Vacant units	LU	177,100	1.831000	1.00	324,270	0.02407509	4,264	783,889
Pipelines	PT	4,550,000	2.959825	1.00	13,467,204	0.03891755	177,075	177,075
Farmlands	FT	3,479,200	0.250000	1.00	869,800	0.00328715	11,437	11,437
Managed Forest	TT	71,100	0.250000	1.00	17,775	0.00328715	234	234
Total Taxable		2,075,970,227			2,439,303,541		32,073,427	32,073,427
Payment in Lieu								
Residential/Farm - General	RG	6,600	1.000000	1.00	6,600	0.01314860	87	87
Multi-residential	MF	2,012,000	1.677900	1.00	3,375,935	0.02206204	44,389	44,389
Com. Occupied - full	CF	6,130,700	1.715420	1.00	10,516,725	0.02255537	138,280	437,590
Com. Occupied - municipal	CG	11,264,400	1.715420	1.00	19,323,177	0.02255537	254,073	
Com. Vac. Land - full	CY	1,076,000	1.715420	1.00	1,845,792	0.02255537	24,270	
Com Parking Lot	GF	929,600	1.715420	1.00	1,594,654	0.02255537	20,967	
Total PIL		21,419,300			36,662,884		482,066	482,066
Taxable Assessment		2,097,389,527			2,475,966,425		32,555,492	32,555,492
Exempt Assessment		269,319,200						
Total Municipal Assessment		2,366,708,727						

Schedule B - Tax Rates Levied for School Board Purposes

	RTC RTQ	2022 PHASE-IN Assessment	Tax Ratios	Sub-Class Discounts	Weighted/ Discounted CVA	2022 EFFECTIVE Tax Rates	Taxation	Total Taxes by Major Classes
Taxable								
Residential/Farm	RT	1,555,675,847	1.000000	1.00	1,555,675,847	0.00153000	2,380,184	2,380,184
Multi-residential	MT	147,059,067	1.677900	1.00	246,750,409	0.00153000	225,000	225,000
New Multi-Residential	NT	10,450,000	1.000000	1.00	10,450,000	0.00153000	15,989	15,989
Com. Occupied	CT	205,413,993	1.715420	1.00	352,371,272	0.00880000	1,807,644	
Com. Occupied - New Const	XT	41,536,209	1.715420	1.00	71,252,044	0.00880000	365,519	
Com. Excess Land	CU	1,241,481	1.715420	1.00	2,129,661	0.00880000	10,925	
Com. Vacant Land	CX	5,820,900	1.715420	1.00	9,985,288	0.00880000	51,224	
Com. Occupied - full - shared PIL	CH	619,000	1.715420	1.00	1,061,845	0.01250000	7,738	
Com Office Building Occupied	DT	1,308,400	1.715420	1.00	2,244,456	0.00880000	11,514	
Com Office - New Construction	YT	8,644,709	1.715420	1.00	14,829,307	0.00880000	76,073	
Com. Excess Land - New Const	XU	708,900	1.715420	1.00	1,216,061	0.00880000	6,238	
Com Shopping Centre Occupied	ST	44,004,767	1.715420	1.00	75,486,657	0.00880000	387,242	
Com Shopping Centre Excess Land	SU	463,300	1.715420	1.00	794,754	0.00880000	4,077	
Shopping Ctre (New Construction) - Full	ZT	11,294,300	1.715420	1.00	19,374,468	0.00880000	99,390	
Shopping Ctre (New Construction) - Excess Land	ZU	894,900	1.715420	1.00	1,535,129	0.00880000	7,875	
Parking Lot- Full	GT	89,000	1.715420	1.00	152,672	0.00880000	783	2,836,275
Ind. Farmland 1	I1	85,000	1.000000	0.25	21,250	0.00038250	33	
Ind. Occupied	IT	9,365,954	1.831000	1.00	17,149,062	0.00880000	82,420	
Industrial New - full rate	JT	2,003,000	1.831000	1.00	3,667,493	0.00880000	17,626	
Industrial New - excess/vacant land	JU	78,400	1.831000	1.00	143,550	0.00880000	690	
Ind. Excess Land	IU	101,300	1.831000	1.00	185,480	0.00880000	891	
Ind. Vacant Land	IX	3,530,400	1.831000	1.00	6,464,162	0.00880000	31,068	
Ind. Occupied - SHARED PIL	IH	576,500	1.831000	1.00	1,055,572	0.01250000	7,206	
Large Industrial Occupied	LT	16,727,500	1.831000	1.00	30,628,053	0.00880000	147,202	
Large Industrial Vacant units	LU	177,100	1.831000	1.00	324,270	0.00880000	1,558	288,662
Pipelines	PT	4,550,000	2.959825	1.00	13,467,204	0.00880000	40,040	40,040
Farmlands	FT	3,479,200	0.250000	1.00	869,800	0.00038250	1,331	1,331
Managed Forest	TT	71,100	0.250000	1.00	17,775	0.00038250	27	27
Total Taxable		2,075,970,227			2,439,303,541		5,787,508	5,787,508
Payment in Lieu								
Residential/Farm - General	RG	6,600	1.000000	1.00	6,600	0.00000000	0	0
Multi-residential	MF	2,012,000	1.677900	1.00	3,375,935	0.00153000	3,078	3,078
Com. Occupied - full	CF	6,130,700	1.715420	1.00	10,516,725	0.01250000	76,634	
Com. Occupied - municipal	CG	11,264,400	1.715420	1.00	19,323,177	0.00000000	0	
Com. Vac. Land - full	CY	1,076,000	1.715420	1.00	1,845,792	0.01250000	13,450	
Com Parking Lot	GF	929,600	1.715420	1.00	1,594,654	0.01250000	11,620	101,704
Total PIL		21,419,300			36,662,884		104,782	104,782
Taxable Assessment		2,097,389,527			2,475,966,425		5,892,290	5,892,290
Exempt Assessment		269,319,200						
Total Municipal Assessment		2,366,708,727						

Schedule C - Estimates of the Sums Required for Grey County

	RTC RTQ	2022 PHASE-IN Assessment	Tax Ratios	Sub-Class Discounts	Weighted/ Discounted CVA	2022 EFFECTIVE Tax Rates	Taxation	Total Taxes by Major Classes
Taxable								
Residential/Farm	RT	1,555,675,847	1.000000	1.00	1,555,675,847	0.00345662	5,377,380	5,377,380
Multi-residential	MT	147,059,067	1.677900	1.00	246,750,409	0.00579986	852,922	852,922
New Multi-Residential	NT	10,450,000	1.000000	1.00	10,450,000	0.00345662	36,122	36,122
Com. Occupied	CT	205,413,993	1.715420	1.00	352,371,272	0.00592956	1,218,015	
Com. Occupied - New Const	XT	41,536,209	1.715420	1.00	71,252,044	0.00592956	246,291	
Com. Excess Land	CU	1,241,481	1.715420	1.00	2,129,661	0.00592956	7,361	
Com. Vacant Land	CX	5,820,900	1.715420	1.00	9,985,288	0.00592956	34,515	
Com. Occupied - full - shared PIL	CH	619,000	1.715420	1.00	1,061,845	0.00592956	3,670	
Com Office Building Occupied	DT	1,308,400	1.715420	1.00	2,244,456	0.00592956	7,758	
Com Office - New Construction	YT	8,644,709	1.715420	1.00	14,829,307	0.00592956	51,259	
Com. Excess Land - New Const	XU	708,900	1.715420	1.00	1,216,061	0.00592956	4,203	
Com Shopping Centre Occupied	ST	44,004,767	1.715420	1.00	75,486,657	0.00592956	260,929	
Com Shopping Centre Excess Land	SU	463,300	1.715420	1.00	794,754	0.00592956	2,747	
Shopping Ctre (New Construction) - Full	ZT	11,294,300	1.715420	1.00	19,374,468	0.00592956	66,970	
Shopping Ctre (New Construction) - Excess Land	ZU	894,900	1.715420	1.00	1,535,129	0.00592956	5,306	
Parking Lot- Full	GT	89,000	1.715420	1.00	152,672	0.00592956	528	1,909,628
Ind. Farmland 1	IL	85,000	1.000000	0.25	21,250	0.00086416	73	
Ind. Occupied	IT	9,365,954	1.831000	1.00	17,149,062	0.00632907	59,278	
Industrial New - full rate	JT	2,003,000	1.831000	1.00	3,667,493	0.00632907	12,677	
Industrial New - excess/vacant land	JU	78,400	1.831000	1.00	143,550	0.00632907	496	
Ind. Excess Land	IU	101,300	1.831000	1.00	185,480	0.00632907	641	
Ind. Vacant Land	IX	3,530,400	1.831000	1.00	6,464,162	0.00632907	22,344	
Ind. Occupied - SHARED PIL	IH	576,500	1.831000	1.00	1,055,572	0.00632907	3,649	
Large Industrial Occupied	LT	16,727,500	1.831000	1.00	30,628,053	0.00632907	105,870	
Large Industrial Vacant units	LU	177,100	1.831000	1.00	324,270	0.00632907	1,121	206,076
Pipelines	PT	4,550,000	2.959825	1.00	13,467,204	0.01023099	46,551	46,551
Farmlands	FT	3,479,200	0.250000	1.00	869,800	0.00086416	3,007	3,007
Managed Forest	TT	71,100	0.250000	1.00	17,775	0.00086416	61	61
Total Taxable		2,075,970,227			2,439,303,541		8,431,746	8,431,746
Payment in Lieu								
Residential/Farm - General	RG	6,600	1.000000	1.00	6,600	0.00345662	23	23
Multi-residential	MF	2,012,000	1.677900	1.00	3,375,935	0.00579986	11,669	11,669
Com. Occupied - full	CF	6,130,700	1.715420	1.00	10,516,725	0.00592956	36,352	
Com. Occupied - municipal	CG	11,264,400	1.715420	1.00	19,323,177	0.00592956	66,793	
Com. Vac. Land - full	CY	1,076,000	1.715420	1.00	1,845,792	0.00592956	6,380	
Com Parking Lot	GF	929,600	1.715420	1.00	1,594,654	0.00592956	5,512	115,038
Total PIL		21,419,300			36,662,884		126,730	126,730
Taxable Assessment		2,097,389,527			2,475,966,425		8,558,476	8,558,476
Exempt Assessment		269,319,200						
Total Municipal Assessment		2,366,708,727						