
Property Tax Levy Model

Levy Change and Multi-Residential Ratio Sensitivity

2026 Taxation Year

City of Owen Sound

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Comment on Context

This report engages with legislative and regulatory provisions as part of the underlying policy analysis. No legal opinions are expressed, and none should be inferred.

Work within Ontario's property taxation framework requires careful interpretation of statutes and regulations in order to assess fiscal impacts, administrative feasibility, and policy consequences. The interpretive analysis reflected herein supports informed decision-making grounded in sound public administration and regulatory compliance.

Such interpretive analysis is an inherent and necessary component of responsible policy development within a regulated statutory environment.

INTRODUCTION AND OVERVIEW

The analysis underlying this report has been prepared in regard to the City of Owen Sound's own purpose levy and the Grey County's 2026 Upper-Tier requisition. The results summarized here are intended to document the independent and combined impacts of:

- 1) Raising the City's 2026 own-purpose levy requirement of \$38,240,025;
- 2) The Reduction of the Multi-Residential Ratios, by both the City and County, to 1.0000; and
- 3) The County's 2026 City Requisition estimated at:
 - \$10,348,153, under Status Quo County Ratios; and
 - \$10,288,458, with the County Multi-Residential Ratio at 1.000.

As prior analysis published in December of 2025 already considered the implications of the multi-residential ratio adjustment on a revenue neutral basis, this report focused primarily on the City and County's full levy requirements.¹

Important Note Re: County of Grey Requisition and Tax Policy

It is critical for the reader to be aware that the results set out in this report are based in part on hypothetical tax policy models prepared for the County of Grey. As of the date of publication, County Council has not considered these models or made any 2026 tax policy decisions. Should the County choose a tax policy model other than that relied upon in the preparation of this document, the analysis in this report must be updated.

¹ See Tax Policy Study published under the MTE brand, dated December 8th, 2005.

TAX RATIOS AND THE BALANCE OF TAXATION

Ontario's property tax system is based on a multiple class / variable tax rate schematic, whereby the tax burden is distributed in accordance with every property, or property portion's share of total weighted Current Value Assessment (CVA).

This weighted distribution is accomplished through the application of Tax Ratios, which are applied within the Tax Rate setting exercise. The setting and adjusting tax ratios has no direct effect on the overall tax levy, their only function is to adjust distribution of taxes.

This report considers the City's tax outcomes under two separate tax policy models. The first relies on the City's status quo tax ratios; the second reduces the City's multi-residential ratio to 1.0000, which would represent the final step in a four-year migration plan to equalize all residential tax rates in the City (Residential, Multi-Residential and New Multi-Residential)

Table 1 shows how the share of tax differs from the share of assessment for each class in accordance with the municipality's starting ratios for the year. By changing tax ratios, the municipality can influence and alter this balance, which can be seen as the outcome of the alternate ratios applied here.

Table 1
Balance of Taxation

Property Class	2026 CVA	CVA Share	Status Quo Ratios	Status Quo Tax Share	Alternate Ratios	Alternate Tax Share
Residential	1,608,585,013	72.48%	1.000000	63.29%	1.000000	63.95%
Farm	3,359,600	0.15%	0.250000	0.03%	0.250000	0.03%
Managed Forest	71,100	0.00%	0.250000	0.00%	0.250000	0.00%
New Multi-Residential	49,449,400	2.23%	1.000000	1.95%	1.000000	1.97%
Multi-Residential	156,768,367	7.06%	1.169475	7.21%	1.000000	6.23%
Commercial	363,563,493	16.38%	1.715420	24.54%	1.715420	24.80%
Industrial	31,502,754	1.42%	1.831000	2.26%	1.831000	2.29%
Pipeline	6,196,000	0.28%	2.959825	0.72%	2.959825	0.73%
Total	2,219,495,727	100.00%		100.00%		100.00%

Reducing the Multi-Residential ratio decreases the weighted assessment each dollar of CVA in that class represents, thereby decreasing the proportional share of tax the class carries.

This in turn, increases the shares carried by all other classes slightly.

BASELINE FULL LEVY MODELS

In order to isolate the direct impacts of the tax ratio change options, it is first necessary to establish an accurate Status Quo base against which to measure change or variations. Table 2 provides a summary of the Notional starting tax rates for both the City and County portions of the levy along with the rates to raise each respective target levy under a Status Quo policy scheme.

Tables 3 and 4 set out the distribution of the City and County tax levies on a class-by-class basis. The tax amounts shown have been calculated using the City's 2025 tax policy parameters (class structure, ratios, etc.) for both the County and City levies. Both tables show the revenue neutral starting levy, along with the proposed levy increase for each.

The rates and taxes in these baseline tables, inclusive of levy change, represent our baseline municipal levies against which the impacts of the modelled ratio changes will be measured.

Table 2
2026 Baseline Municipal Tax Rates and Levy Change (MR at 1.169475)

Property Class	City Notional	City Full Levy	Levy Change	County Notional	County Full Levy	Levy Change
Residential	0.01430274	0.01504459	5.19%	0.00389129	0.00407122	4.62%
Farm	0.00357569	0.00376115	5.19%	0.00097282	0.00101781	4.62%
Managed Forest	0.00357569	0.00376115	5.19%	0.00097282	0.00101781	4.62%
New Multi-Residential	0.01430274	0.01504459	5.19%	0.00389129	0.00407122	4.62%
Multi-Residential	0.01672670	0.01759427	5.19%	0.00455077	0.00476119	4.62%
Commercial	0.02453521	0.02580779	5.19%	0.00667520	0.00698385	4.62%
Industrial	0.02618832	0.02754664	5.19%	0.00712495	0.00745440	4.62%
Pipeline	0.04233361	0.04452935	5.19%	0.01151754	0.01205010	4.62%

Table 3
2026 Baseline City Levy with Levy Change (MR at 1.169475)

Property Class	Revenue Neutral	Full City Levy	Levy Change \$	Levy Change %
Residential	\$23,007,079	\$24,200,403	\$1,193,324	5.19%
Farm	\$12,013	\$12,636	\$623	5.19%
Managed Forest	\$254	\$267	\$13	5.19%
New Multi-Residential	\$707,262	\$743,946	\$36,684	5.19%
Multi-Residential	\$2,588,563	\$2,722,825	\$134,262	5.19%
Commercial	\$8,429,339	\$8,866,547	\$437,208	5.19%
Industrial	\$806,073	\$847,882	\$41,809	5.19%
Pipeline	\$262,299	\$275,904	\$13,605	5.19%
Subtotal Tax	\$35,812,882	\$37,670,410	\$1,857,528	5.19%
Residential	\$94	\$99	\$5	5.19%
Multi-Residential	\$33,654	\$35,400	\$1,746	5.19%
Commercial	\$490,768	\$516,223	\$25,455	5.19%
Industrial	\$17,009	\$17,892	\$883	5.19%
Subtotal PIL	\$541,525	\$569,614	\$28,089	5.19%
Total	\$36,354,407	\$38,240,024	\$1,885,617	5.19%

Table 4
2026 Baseline County Levy with Levy Change (MR at 1.169475)

Property Class	Revenue Neutral	Full County Levy	Levy Change \$	Levy Change %
Residential	\$6,259,445	\$6,548,877	\$289,432	4.62%
Farm	\$3,268	\$3,419	\$151	4.62%
Managed Forest	\$69	\$72	\$3	4.62%
New Multi-Residential	\$192,422	\$201,319	\$8,897	4.62%
Multi-Residential	\$704,261	\$736,824	\$32,563	4.62%
Commercial	\$2,293,338	\$2,399,378	\$106,040	4.62%
Industrial	\$219,305	\$229,445	\$10,140	4.62%
Pipeline	\$71,363	\$74,662	\$3,299	4.62%
Subtotal Tax	\$9,743,471	\$10,193,996	\$450,525	4.62%
Residential	\$26	\$27	\$1	4.62%
Multi-Residential	\$9,156	\$9,580	\$424	4.62%
Commercial	\$133,521	\$139,695	\$6,174	4.62%
Industrial	\$4,628	\$4,842	\$214	4.62%
Subtotal PIL	\$147,331	\$154,144	\$6,813	4.62%
Total	\$9,890,802	\$10,348,140	\$457,338	4.62%

Table 4 is based on a preliminary estimate of the City's County requisition under the County's 2026 status quo tax ratios.

ALTERNATE TAX LEVY MODELS: CITY & COUNTY MULTI-RESIDENTIAL RATIOS AT 1.00

The following models summarize the impact of both the City and the County reducing their multi-residential tax ratios to 1.00.

For the **City levy**, the ratio adjustment is revenue-neutral. Under both models, the City raises the same total levy, with the change affecting only the distribution of taxes across property classes.

For the **County levy**, the ratio change is also revenue-neutral to the County overall. However, because the City contains a large proportion of the County's multi-residential assessment, taxes shifting off that class on a county-wide basis reduce the City's proportional share of the County levy.

In sum, while the ratio change shifts taxes off the multi-residential class within the City, it also results in a reduction in the City's share of the County requisition.

Table 5 documents the Tax Ratios applied under the status quo and alternate models, **Table 6** documents the shifts in City and County levy rates resulting from the reduction of the multi-residential tax ratio.

Table 5
Tax Ratio Summary

Property Class	Status Quo Ratios	Alternate Ratios	Change %
Residential	1.000000	1.000000	0.00%
Farm	0.250000	0.250000	0.00%
Managed Forest	0.250000	0.250000	0.00%
New Multi-Residential	1.000000	1.000000	0.00%
Multi-Residential	1.169475	1.000000	-14.49%
Commercial	1.715420	1.715420	0.00%
Industrial	1.831000	1.831000	0.00%
Pipeline	2.959825	2.959825	0.00%

Table 6
Tax Rate Sensitivity – Full Levy Rates

Property Class	Status Quo City Rate	Alternate City Rate	Difference %	Status Quo County Rate	Alternate County Rate	Difference %
Residential	0.01504459	0.01520351	1.06%	0.00407122	0.00409050	0.47%
Farm	0.00376115	0.00380088	1.06%	0.00101781	0.00102263	0.47%
Managed Forest	0.00376115	0.00380088	1.06%	0.00101781	0.00102263	0.47%
New Multi-Residential	0.01504459	0.01520351	1.06%	0.00407122	0.00409050	0.47%
Multi-Residential	0.01759427	0.01520351	-13.59%	0.00476119	0.00409050	-14.09%
Commercial	0.02580779	0.02608041	1.06%	0.00698385	0.00701693	0.47%
Industrial	0.02754664	0.02783763	1.06%	0.00745440	0.00748971	0.47%
Pipeline	0.04452935	0.04499973	1.06%	0.01205010	0.01210716	0.47%

The resulting tax shifts are summarized in **Tables 7 and 8** below.

Tables 9 and 10 compare the total year-over-year difference in the City and County portions under the status quo and alternate models. **Table 11**, provides a similar comparison for all levies combined, including the school portion.

Table 7
City Levy Sensitivity: Full Levy Requirement, Multi-Residential at 1.00

Property Class	Status Quo City Levy	Alternate City Levy	Policy Shift \$	Policy Shift %
Residential	\$24,200,403	\$24,456,038	\$255,635	1.06%
Farm	\$12,636	\$12,769	\$133	1.05%
Managed Forest	\$267	\$270	\$3	1.12%
New Multi-Residential	\$743,946	\$751,804	\$7,858	1.06%
Multi-Residential	\$2,722,825	\$2,352,840	-\$369,985	-13.59%
Commercial	\$8,866,547	\$8,960,209	\$93,662	1.06%
Industrial	\$847,882	\$856,838	\$8,956	1.06%
Pipeline	\$275,904	\$278,818	\$2,914	1.06%
Subtotal Tax	\$37,670,410	\$37,669,586	-\$824	0.00%
Residential	\$99	\$100	\$1	1.01%
Multi-Residential	\$35,400	\$30,589	-\$4,811	-13.59%
Commercial	\$516,223	\$521,676	\$5,453	1.06%
Industrial	\$17,892	\$18,081	\$189	1.06%
Subtotal PIL	\$569,614	\$570,446	\$832	0.15%
Total	\$38,240,024	\$38,240,032	\$8	0.00%

Table 8
County Levy Sensitivity: Full Levy Requirement, County & City Multi-Residential at 1.00

Property Class	Status Quo County Levy	Alternate County Levy	Policy Shift \$	Policy Shift %
Residential	\$6,548,877	\$6,579,890	\$31,013	0.47%
Farm	\$3,419	\$3,436	\$17	0.50%
Managed Forest	\$72	\$73	\$1	1.39%
New Multi-Residential	\$201,319	\$202,273	\$954	0.47%
Multi-Residential	\$736,824	\$633,031	-\$103,793	-14.09%
Commercial	\$2,399,378	\$2,410,743	\$11,365	0.47%
Industrial	\$229,445	\$230,532	\$1,087	0.47%
Pipeline	\$74,662	\$75,016	\$354	0.47%
Subtotal Tax	\$10,193,996	\$10,134,994	-\$59,002	-0.58%
Residential	\$27	\$27	\$0	0.00%
Multi-Residential	\$9,580	\$8,230	-\$1,350	-14.09%
Commercial	\$139,695	\$140,357	\$662	0.47%
Industrial	\$4,842	\$4,865	\$23	0.48%
Subtotal PIL	\$154,144	\$153,479	-\$665	-0.43%
Total	\$10,348,140	\$10,288,473	-\$59,667	-0.58%

Table 9
City Levy: Net Year-Over-Year Change (Status Quo vs. Multi-Res at 1.00)

Property Class	2025 City Levy Year-End	Year-Over-Year Status Quo Policy		Year-Over-Year Multi-Res. At 1.00	
Residential	\$23,007,079	\$1,193,324	5.19%	\$1,448,959	6.30%
Farm	\$12,013	\$623	5.19%	\$756	6.29%
Managed Forest	\$254	\$13	5.12%	\$16	6.30%
New Multi-Residential	\$707,262	\$36,684	5.19%	\$44,542	6.30%
Multi-Residential	\$2,588,563	\$134,262	5.19%	-\$235,723	-9.11%
Commercial	\$8,429,339	\$437,208	5.19%	\$530,870	6.30%
Industrial	\$806,073	\$41,809	5.19%	\$50,765	6.30%
Pipeline	\$262,299	\$13,605	5.19%	\$16,519	6.30%
Subtotal Tax	\$35,812,882	\$1,857,528	5.19%	\$1,856,704	5.18%
Residential	\$94	\$5	5.32%	\$6	6.38%
Multi-Residential	\$33,654	\$1,746	5.19%	-\$3,065	-9.11%
Commercial	\$490,768	\$25,455	5.19%	\$30,908	6.30%
Industrial	\$17,009	\$883	5.19%	\$1,072	6.30%
Subtotal PIL	\$541,525	\$28,089	5.19%	\$28,921	5.34%
Total	\$36,354,407	\$1,885,617	5.19%	\$1,885,625	5.19%

Table 10
County Levy: Net Year-Over-Year Change (Status Quo vs. Multi-Res at 1.00)

Property Class	2025 County Levy Year-End	Year-Over-Year Status Quo Policy		Year-Over-Year Multi-Res. At 1.00	
Residential	\$6,258,496	\$290,381	4.64%	\$321,394	5.14%
Farm	\$3,268	\$151	4.62%	\$168	5.14%
Managed Forest	\$69	\$3	4.35%	\$4	5.80%
New Multi-Residential	\$192,393	\$8,926	4.64%	\$9,880	5.14%
Multi-Residential	\$704,154	\$32,670	4.64%	-\$71,123	-10.10%
Commercial	\$2,292,987	\$106,391	4.64%	\$117,756	5.14%
Industrial	\$219,272	\$10,173	4.64%	\$11,260	5.14%
Pipeline	\$71,352	\$3,310	4.64%	\$3,664	5.14%
Subtotal Tax	\$9,741,991	\$452,005	4.64%	\$393,003	4.03%
Residential	\$26	\$1	3.85%	\$1	3.85%
Multi-Residential	\$9,155	\$425	4.64%	-\$925	-10.10%
Commercial	\$133,501	\$6,194	4.64%	\$6,856	5.14%
Industrial	\$4,627	\$215	4.65%	\$238	5.14%
Subtotal PIL	\$147,309	\$6,835	4.64%	\$6,170	4.19%
Total	\$9,889,300	\$458,840	4.64%	\$399,173	4.04%

Table 11
Total Combined Levy: Net Year-Over-Year Change
 (City, County and Provincial School Tax Portions)

Property Class	Total Year-End Levy	Year-Over-Year Status Quo Policy	Year-Over-Year Multi-Res. At 1.00		
Residential	\$31,726,700	\$1,483,705	4.68%	\$1,770,353	5.58%
Farm	\$16,566	\$774	4.67%	\$924	5.58%
Managed Forest	\$350	\$16	4.57%	\$20	5.71%
New Multi-Residential	\$975,313	\$45,610	4.68%	\$54,422	5.58%
Multi-Residential	\$3,529,494	\$166,932	4.73%	-\$306,846	-8.69%
Commercial	\$13,745,662	\$543,599	3.95%	\$648,626	4.72%
Industrial	\$1,296,138	\$51,982	4.01%	\$62,025	4.79%
Pipeline	\$388,176	\$16,915	4.36%	\$20,183	5.20%
Subtotal Tax	\$51,678,399	\$2,309,533	4.47%	\$2,249,707	4.35%
Residential	\$120	\$6	5.00%	\$7	5.83%
Multi-Residential	\$45,887	\$2,171	4.73%	-\$3,990	-8.70%
Commercial	\$733,710	\$31,649	4.31%	\$37,764	5.15%
Industrial	\$29,755	\$1,098	3.69%	\$1,310	4.40%
Subtotal PIL	\$809,472	\$34,924	4.31%	\$35,091	4.34%
Total	\$52,487,871	\$2,344,457	4.47%	\$2,284,798	4.35%

This table compares the City's year-end-taxes by class to the total 2026 levy under both the status quo starting ratios and our alternate model. These results include taxes for City, County and School purposes, however, the school portion is constant across all models and is not impacted by municipal tax ratio adjustments.