



Town of Newmarket
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Property Tax Rates and By-law for 2021 Staff Report to Council

Report Number: 2021-40

Department(s): Financial Services

Author(s): Mike Mayes, Director, Financial Services/Treasurer

Meeting Date: May 25, 2021

Recommendations

1. That the report entitled Property Tax Rates and By-law for 2021 dated May 25, 2021 be received; and,
2. That the property tax rates for 2021, as applied to the assessment roll returned in 2020 for 2021 taxation, be set for Town purposes as follows:

Residential	0.315394%
Multi-Residential	0.315394%
Commercial	0.420136%
Industrial	0.518255%
Pipeline	0.289847%
Farm	0.078848%

3. That the applicable Tax Rate By-law, attached as Appendix 'A' be forwarded to Council for approval; and,
4. That the Treasurer be authorized and directed to do all things necessary to give effect to this resolution.

Executive Summary

The result of the 1.98% budgetary increase on property tax rates for 2021 is as follows:

- Residential and multi-residential - 0.315394%
- Commercial – 0.420136%
- Industrial – 0.518255%
- Pipeline – 0.289847%
- Farm – 0.078848%

The 2021 average single-detached residential property will experience an increase of \$43.01 compared to 2020. The total levy collected for all levels of Government is \$185,969,193. This is made up of the Town of Newmarket's levy requirement of \$66,717,551, York Region's levy requirement of \$69,051,114 and the Province of Ontario's levy requirement of \$50,200,529.

Purpose

The purpose of this report is to provide for the levy and collection of property tax for 2021.

Background

The Municipal Act, 2001, as amended under S.312 requires that each year Council enact a by-law levying a separate tax rate, as specified in the by-law, on the assessment in each property class in the local municipality for all property rateable for municipal purposes.

Discussion

Town of Newmarket Tax Ratios and Tax Rates

The property tax rates for Town purposes are determined using the approved tax ratios applied to the 2020 Assessment Roll as returned for 2021 taxation, and the approved 2021 Town tax-supported operating budget.

Tax ratios establish the weighted level of taxation born by each broad property class in relation to the residential class. The tax ratios for 2021 are set and approved by Regional Council. They are consistent Region wide. In 2016, both regional and local municipal staff undertook a review of the impact of market value reassessment and the resulting tax shifts that naturally occur when one property class has values that increase at a higher rate than others.

Regional Council adopted a 'revenue neutral' approach which increases the ratios on commercial and industrial properties, and reduces the impact of tax shifting to the residential class. A review of this approach was initially set to be done this year (2021), in accordance with the reassessment cycle. However, due to the COVID-19 pandemic, the

reassessment has been postponed. The current value assessment (CVA) used for the 2021 taxation year is the same value used in the 2020 taxation year.

As a result, the 2021 Tax Ratio remains unchanged from last year.

Schedule 'A' attached to the by-law lists the proposed tax rates required to raise the approved 2021 Town tax supported budget requirement of \$66,717,551. This results in an average municipal (Town share only) increases to a homeowner with a residential property assessed at \$702,400 of 1.98% or \$43.01.

Due to the re-assessment freeze, the average value of a single-detached home in Newmarket for 2021 has remained largely the same compared to last year. In 2021, the average value of a single-detached home increased to \$702,400 from \$700,604 in 2020.

The slight CVA average increase of \$1,796 (\$702,400 less \$700,604) is a result of additions to the roll such as occupancy of new properties, home improvements and additions.

Region of York and Education Tax Rates

The Region of York has set the property tax rates they require to fund their budgets. Newmarket's portion of the Region's budget is approximately \$69 million. This represents 5.67% of the total Regional levy. Based on the average single-detached home of \$702,400, this results in an average increase to a homeowner in Newmarket of 1.49% or \$33.76.

The Ministry of Finance has provided the Education property tax rates for 2021. The Residential tax rate has been set at a uniform rate for the entire Province at 0.153000%, which is the same rate used in 2020. The average single-detached home assessed at \$702,400 will not see an increase in the education portion of their taxes for 2021.

Summary – 2021 Combined Tax Rates

The 2021 Final Residential Tax Rate is 0.794819%. The average single-detached home with a CVA of \$702,400 will pay \$5,582.81 in 2021. For comparison, the table below is illustrates the tax levy breakdown for this property in 2021:

Levy	2020	2021	\$ Change	% Change
Town Municipal	\$2,172.31	\$2,215.33	\$43.01	1.98%
Region Municipal	\$2,259.05	\$2,292.81	\$33.76	1.49%
Education	\$1,074.67	\$1,074.67	\$0.00	0.00%
Total	\$5,506.03	\$5,582.81	\$76.77	1.39%

The sharing of each \$1.00 of property tax collected for the three main broad classes is as follows:

Levy	Residential	Commercial	Industrial
Town Municipal	\$0.40	\$0.24	\$0.27
Region Municipal	\$0.41	\$0.25	\$0.28
Education	\$0.19	\$0.51	\$0.45
Total	\$1.00	\$1.00	\$1.00

The total taxes required for all three levels of government in Newmarket will be in excess of \$185 million and is managed by Town staff in terms of billing, collection, adjustments and remittance to the Region and school boards.

In addition to the above levies, there are also payments-in-lieu (PIL's) calculated and levied using the same tax rates for the applicable classes, or using rates set by Provincial Regulation for the railway rights-of-way, electrical corridors and the heads and beds levy for the hospital.

Properties identified within the Business Improvement Area (BIA) will be levied a total of \$30,000 apportioned according to their commercial assessment and the funds will be available to the Treasurer of the BIA.

Property Tax Due Dates

As noted in the attached draft By-law, the due dates for the final three installments for the residential levy will be:

- Monday, July 26/21
- Wednesday, August 25/21
- Friday, September 24/21

The dues dates for the non-residential levy, as well as any supplementary or omitted billing from Amended Property Assessment Notices (APAN's) will be established as they are processed with the legislated minimum of 21 days from the date of the billing.

Property taxes can be paid by any of the following methods:

- Telephone or On-Line Banking
- Pre-authorized Payment Plans (with pre-registration)
- Mailing or dropping off cheques at 395 Mulock Dr.
- Credit Card (on-line only) at www.plastiq.com (service charge applies)

Residents are strongly encouraged to use their on-line or telephone banking as the safest, most secure and efficient manner of payment.

Due to the closure of the Town Offices as a result of the COVID-19 pandemic, in-person payments at 395 Mulock Dr, Ray Twinney Recreation Complex, Magna Centre and the Newmarket Senior's Meeting Place are currently not accepted.

2021 Financial Relief Program

The COVID-19 pandemic continues to financially impact many households in Newmarket in 2021. As a result, Council approved a revised Financial Relief Program on January 18, 2021. The details of the program are outlined below:

1. Waive Penalty and Interest on Unpaid Property Taxes for Eligible Residential Property Owners;
2. Increase Property Tax Assistance to the Elderly from \$320 to \$450;
3. Increase Residential Water and Waste Water Rebate from \$354 to \$420; and,
4. Water Rebate of \$1,000 for Eligible Small Businesses

The table below summarizes the assistance provided to residents and businesses to date:

Financial Relief Program	\$ Amount	Count
Waived Penalty and Interest (Estimate)	\$127,000*	55
Senior's Tax Rebate (\$450)	\$32,400	72
Residential Water Rebate (\$420)	\$30,256	73
Business Water Rebate (\$1,000)	\$141,800	188
Total	\$331,456	388

Note:

*Made up of January (\$83k) + February (\$14k) + March (\$15k) + April (\$15k)

Residents and Business Owners contacting the Town looking for financial assistance as a result of the pandemic are directed to apply for the appropriate program available. Staff also monitored feedback from residents regarding the Financial Relief Program. To date, residents and business owners have provided positive feedback on the types of programs available.

Staff observed and noted the following regarding the Financial Relief Program:

- Participation in the senior's tax rebate and the \$420 residential water rebate increased by approximately 30% compared to 2020 year-to-date results
- 422 properties were anticipated to be eligible for the \$1,000 water rebate for small business owners.

- 231 total applications were received
 - 188 were approved
 - 43 were rejected
- Initial water rebate applications were mailed out on January 25, 2021
- Reminder notices were mailed out on March 24, 2021 to eligible small business owners who have yet to apply for the small business water rebate program
- Phone calls were also made to some business owners to ensure that they were aware of the water rebate available

Conclusion

The final residential tax rate for 2021 will be 0.794819%. An average residential property with a 2021 assessment of \$702,400 will pay \$5,582.81 for 2021 of which the Town share is \$2,215.33 or 40% of the total taxes.

Business Plan and Strategic Plan Linkages

This report links to Newmarket's key strategic directions in being Well Managed through Fiscal Responsibility.

Consultation

- Financial Services Report 2021 Operating & Capital Budget Recommendations December 7, 2020
- Ministry of Education and Ministry of Finance Letters Regarding Education Tax
- Regional Municipality of York Reports 2021 Property Tax Ratios, Property Tax Rates and Property Tax Capping
- Online Property Tax Analysis (OPTA) for statistics and analysis
- Municipal Property Assessment Corporation, 2020 Assessment Roll for 2021 Taxation

Human Resource Considerations

None.

Budget Impact

The proposed property tax rates for the Town will increase the residential tax levy on an average single-detached home by 1.98% and raise the necessary funds to cover the 2021 tax-supported operating budgets as approved by Council.

Attachments

Appendix A: 2021 Draft Tax Rate By-law

Approval

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Commissioner, Corporate Services

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