



Town of Newmarket
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Property Tax Rates and By-law for 2024 Staff Report to Council

Report Number: 2024-34

Department(s): Financial Services

Author(s): Tony Villella, Manager, Revenue

Meeting Date: May 27, 2024

Recommendations

1. That the report entitled Property Tax Rates and By-law for 2024 dated May 27, 2024 be received; and,

2. That the property tax rates for 2024, as applied to the assessment roll returned in 2023 for 2024 taxation, be set for Town purposes as follows:

Residential	0.352903%
Multi-Residential	0.352903%
New Multi-Residential	0.352903%
Commercial	0.470101%
Industrial	0.579889%
Pipeline	0.324317%
Farm	0.088226%

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 3.99% budgetary increase on property tax rates for 2024 is as follows:

- Residential/multi-residential/new-multi residential - 0.352903%
- Commercial – 0.470101%
- Industrial – 0.579889%
- Pipeline – 0.324317%
- Farm – 0.088226%

The 2024 average single-detached residential property will experience an increase of \$188.43 compared to 2023. The total assessment-based levy collected for all levels of Government is \$206,686,757. This consists of the Town of Newmarket's levy requirement of \$76,731,824, York Region's levy requirement of \$78,677,636 and the Province of Ontario's levy requirement of \$51,277,297.

Purpose

The purpose of this report is to provide for the levy and collection of property tax for 2024.

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 2023 Assessment Roll as returned for 2024 taxation, and the approved 2024 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 Regional Council have introduced a bylaw to adopt a New Multi-Residential (Municipal Reduction) property subclass. The new optional subclass has the same property tax ratio as the existing New Multi-Residential property class. The discount would only apply to new multi-residential properties that receive building permits after municipalities pass a bylaw to adopt the optional subclass. Adoption

of the New Multi-Residential (Municipal Reduction) optional subclass for the 2024 tax year would not have a financial impact since existing properties are not eligible and the initial discount is 0%. The tax ratios for 2024 are set and approved by Regional Council and 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 in 2020, 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 2024 taxation year is the same value used in the 2020 taxation year. The province has intention to continue deferring reassessment until a review of the property assessment and taxation system has been completed, focusing on fairness, affordability and business competitiveness. The Region will review the potential property tax discounts for the purpose-built rental buildings (new multi-residential) and for vacant and excess commercial and industrial lands in 2025. As a result, the 2024 Tax Ratio remains unchanged from last year.

Schedule 'A' attached to the by-law lists the proposed tax rates required to raise the approved 2024 Town tax supported budget requirement of \$76,731,824. This results in an average municipal (Town share only) increases to a homeowner with a residential property assessed at \$711,000 of 3.99% or \$96.28.

Due to the re-assessment freeze, the average value of a single-detached home in Newmarket for 2024 has remained largely the same compared to last year. In 2024, the average value of a single-detached home increased to \$711,000 from \$709,000 in 2023.

The slight CVA average increase of \$2,000 is a result of additions to the roll such as occupancy of new properties, home improvements and additions.

For further information on the average CVA breakdown of the common residential properties for 2024:

Residential Property Type	Average CVA
Single-Detached	\$711,000
Semi-Detached	\$483,000
Freehold Townhouse	\$509,000
Condominium	\$378,356

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 \$78,677,636. This represents 5.58% of the total regional levy. Based on the average single-detached home of \$711,000, this results in an average increase to a homeowner in Newmarket of 3.72% or \$92.15.

The Ministry of Finance has provided the education property tax rates for 2024. 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 \$711,000 will not see an increase in the education portion of their taxes for 2024.

Summary – 2024 Combined Tax Rates

The 2024 Final Residential Tax Rate is 0.867755%. The average single-detached home with a CVA of \$711,000 will pay \$6,169.74 in 2024. For comparison, the table below illustrates the tax levy breakdown for this property in 2024:

Levy	2023	2024	\$ Change	% Change
Town Municipal	\$2,412.86	\$2,509.14	\$96.28	3.99%
Region Municipal	\$2,480.62	\$2,572.77	\$92.15	3.72%
Education	\$1,087.83	\$1,087.83	\$0.00	0.0%
Total	\$5,981.31	\$6,169.74	\$188.43	3.15%

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	\$0.25	\$0.28
Region Municipal	\$0.42	\$0.26	\$0.29
Education	\$0.18	\$0.49	\$0.43
Total	\$1.00	\$1.00	\$1.00

The total taxes required for all three levels of government in Newmarket will be more than \$206 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 instalments for the property classes will be:

- Friday, July 26, 2024
- Monday, August 26, 2024
- Thursday, September 26, 2024

The dues dates for the any supplementary or omitted billing from Property Assessment Change Notices (PACN's) will be established. They are legislated to be a 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 on-line or telephone banking as the safest, most secure and efficient manner of payment.

In-person payments can be made at 395 Mulock Dr, Ray Twinney Recreation Complex, Magna Centre and the Newmarket Senior's Meeting Place.

Conclusion

The final residential tax rate for 2024 will be 0.867755%. An average residential property with a 2024 assessment of \$711,000 will pay \$6,169.74 for 2024 of which the Town share is \$2,509.14 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 2024 Operating & Capital Budget Recommendations
- Ministry of Education and Ministry of Finance Letters Regarding Education Tax
- Regional Municipality of York Reports 2024 Property Tax Ratios, Property Tax Rates and Property Tax Capping
- Online Property Tax Analysis (OPTA) for statistics and analysis
- Municipal Property Assessment Corporation, 2023 Assessment Roll for 2024 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 3.99% and raise the necessary funds to cover the 2024 tax-supported operating budgets as approved by Council.

Attachments

Appendix A: 2024 Draft Tax Rate By-law

Approval

Mike Mayes, CPA, CGA, DPA
Director, Financial Services

Esther Armchuk LL.B
Commissioner, Corporate Services

Contact

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