



Subject: 2024 Property Tax and Storm Sewer By-Law

To: Council

From: Corporate Services Department

Report Number: 2024-101

Meeting Date: April 23, 2024

Recommendation:

That Corporate Services Department Report 2024-101 be received; and

That the 2024 property tax rates outlined in Appendix A of this report be approved; and

That the 2024 Property Tax Rate By-law attached as Appendix B of this report be approved.

Purpose:

The purpose of this report is to establish the 2024 property tax rates and corresponding by-law.

Background:

The City of Port Colborne (the City) levies property taxes annually through a four-installment model. Property taxes are based on approved budgetary requirements that are identified in the budget process as the annual levy. The 2023 budget was approved on October 24, 2023, by way of report 2023-161.

The City operates in a multi-tier municipal system with the City being the “lower-tier” and Niagara Region being the “upper-tier.” In this model, the Niagara Region establishes tax policy, including tax ratios and any discount factors. In addition to billing its own property taxes, the City bills property taxes on behalf of Niagara Region and the Province of Ontario for education purposes. The total assessment for each property class, tax ratios, discount factors, rates, and amounts being levied are included in Appendix A.

Local property tax rates are established through by-law in accordance with Section 312 of the *Municipal Act, 2001*, as amended.

Amounts raised by way of a special levy for the Downtown Development Board (DBIA) and the Main Street Gateway (MSBIA) are done so in accordance with Section 208 (1) of the *Municipal Act, 2001*, as amended.

Discussion:

The combined residential property tax rate, which includes the City, Niagara Region, and Education, are summarized as follows:

	2024	2023	\$	%	Proportion	Impact
City	0.01079278	0.01027777	0.00051501	5.01%	52.95%	2.65%
Niagara Region	0.00666111	0.00623692	0.00042419			
Niagara Region: Waste Management	0.00095517	0.00098660	-0.00003143			
Niagara Region: Transit	0.00044362	0.00041580	0.00002782			
Total Niagara Region	0.00805990	0.00763932	0.00042058	5.51%	39.54%	2.17%
Education	0.00153000	0.00153000	0.00000000	0.00%	7.51%	0.000%
Total	0.02038268	0.01944709	0.00093559	4.82%	100.00%	4.82%

The City's year over year increase on a blended property tax basis is 2.65% (5.01% x 52.95% which is the City's portion of the combined tax rate). This compares to 2.90% (1.25% estimated on operations and 1.65% estimated on capital) during the budget process.

Going forward, the proportion of residential property tax paid to the City, Niagara Region, and Education changes as follows:

- City: 52.95% (vs 52.85% in 2023)
- Niagara Region: 39.54% (vs 39.28% in 2023)
- Education: 7.51% (vs 7.87% in 2023)

The impact on the blended property tax rates on the average (avg.) residential, commercial, and industrial property in the City is as follows:

	CVA	2024	2023	\$	%
Avg. Residential	\$214,435	\$4,371	\$4,170	\$201	4.82%
Avg. Commercial	\$334,090	\$13,868	\$13,325	\$543	4.08%
Avg. Industrial	\$931,835	\$54,403	\$52,110	\$2,293	4.40%

The residential property average above represents the average of all residential properties in the City, including waterfront properties.

The property sample for the commercial and industrial class does not include larger industrial, shopping centre, office buildings, parking lots, or subclass properties. Rates for all property classes are included in Appendix A.

The average commercial and industrial property tax change highlighted above are slightly lower than the residential change. Factors that can impact a difference include changes in current value assessment (CVA) of commercial and industrial properties, tax shifts, and tax policy approved at the Niagara Region or the Province. There was no change in the education rate on residential, commercial, and industrial properties this year.

Council approved the storm sewer rates by way of Report 2023-165 on November 28, 2023, and these rates are included in the 2024 Property Tax Rates By-law as Schedule B to the By-law.

Incorporated in the 2024 Property Tax Rates By-law are the rates associated with the contributions to the DBIA and the MSBIA.

The final tax due dates for all classes are recommended as July 19 and September 27, 2024. The recommended July date will allow staff to manage workloads between the third instalment and Canal Days. The September date is recommended to move from the September 30th, which became the Truth and Reconciliation Day in 2021.

Financial Implications:

The proposed tax rates form the basis to fund the City's approved 2024 budget.

Strategic Plan Alignment:

The initiative contained within this report supports the following pillar(s) of the strategic plan:

- Environment and Climate Change
- Welcoming, Livable, Healthy Community
- Economic Prosperity
- Increased Housing Options
- Sustainable and Resilient Infrastructure

Conclusion:

Staff recommend that the proposed 2024 property tax rates in Appendix A and that the 2024 Property Tax Rates By-law be approved.

Appendices:

- a. 2024 Property Tax Rates
- b. By-Law to Set and Levy the Rates of Taxation for City Purposes for the Year 2024

Respectfully submitted,

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Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.