



**Subject: 2022 Property Tax and Storm Sewer By-Law**

**To: Council**

**From: Corporate Services Department**

Report Number: 2022-76

Meeting Date: April 26, 2022

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**Recommendation:**

That Corporate Services Department Report 2022-76 be received;

That the 2022 property tax rates outlined in Appendix A of Corporate Services Report 2022-76 be approved; and

That the 2022 Property Tax Rate By-law attached as Appendix B of Corporate Services Report 2022-76 be approved.

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**Purpose:**

To establish the 2022 property tax rates and corresponding by-law.

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**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 2022 budget was approved on November 8, 2021 by way of report 2021-275.

The City operates in a multi-tier municipal system with the City being the “lower-tier” and the Niagara Region being the “upper-tier”. In this model, the Niagara Region establishes tax policy, including tax ratios and any discount factors. The City bills property owners for the City and Niagara Region levies and the property tax rates set by 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 (BIA) and the Main Street Gateway (BIA) are done so in accordance with Section 208 (1) of the Municipal Act, 2001, as amended.

## Discussion:

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

	<b>2022</b>	<b>2021</b>	<b>\$</b>	<b>%</b>
City	0.00980471	0.00929437	0.00051034	5.49%
Niagara Region	0.00603552	0.00587571	0.00015981	2.72%
Niagara Region: Waste Management	0.00095899	0.00092220	0.00003679	3.99%
Education	0.00153000	0.00153000	0.00000000	0.00%
<b>Total</b>	<b>0.01832922</b>	<b>0.01762228</b>	<b>0.00070694</b>	<b>4.01%</b>

The City's year over year increase on a blended property tax basis is 2.94% (5.49% x 53.49% which is the City's portion of the combined tax rate). This compares to 2.80% (1.70% estimated on operations and 1.10% estimated on capital) during the budget process.

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

	<b>CVA</b>	<b>2022</b>	<b>2021</b>	<b>\$</b>	<b>%</b>
Avg. Residential	\$212,031	\$3,886	\$3,736	\$150	4.01%
Avg. Commercial	\$320,468	\$9,340	\$8,947	\$393	4.39%
Avg. Industrial	\$786,373	\$34,743	\$33,281	\$1,462	4.39%

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 higher 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 Province. This compares to the prior year when the change in commercial and industrial properties was below that of residential properties. The prior year changes of 0.31% for average commercial and minus 3.78% for average industrial were the result of the Province's decision to cut

Education rates to these property classes. There was no reduction in the Education rate on residential properties in the prior year. The net result was commercial properties saw almost no increase and industrial properties saw a reduction in property taxes on a blended rate basis in 2021.

The storm sewer rates were approved by way of report 2021-312 approved by Council on December 13, 2021, these rates are included in the 2022 Property Tax Rates Bylaw as Schedule B to the By-law.

The final tax due dates for all classes are recommended as July 15 and September 29, 2022. 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 30th which became Truth and Reconciliation Day in 2021.

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### **Financial Implications:**

The proposed tax rates form the basis to fund the City's approved 2022 budget.

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### **Strategic Plan Alignment:**

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

- Service and Simplicity - Quality and Innovative Delivery of Customer Services
- Attracting Business Investment and Tourists to Port Colborne
- City-Wide Investments in Infrastructure and Recreational/Cultural Spaces
- Value: Financial Management to Achieve Financial Sustainability
- People: Supporting and Investing in Human Capital
- Governance: Communications, Engagement, and Decision-Making

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### **Conclusion:**

Staff recommend the proposed 2022 property tax rates in Appendix A be approved.

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### **Appendices:** (If none delete section)

- a. 2022 Property Tax Rates
- b. By-law to Set and Levy the Rates of Taxation for City Purposes for the Year 2022

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.