



PORT COLBORNE

Subject: 2021 Property Tax and Storm Sewer By-Laws

To: Council

From: Corporate Services Department

Report Number: 2021-139

Meeting Date: May 10, 2021

Recommendation:

That Corporate Services Department Report 2021-139 be received; and

That the 2021 property tax rates outlined in Appendix A of Corporate Services Department Report 2021-139, be approved.

Purpose:

To establish the 2021 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 2021 budget was approved on November 23, 2020 by way of report 2020-168.

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:

	2021	2020	\$	%
City	0.00929437	0.00877454	0.00051983	5.92%
Niagara Region	0.00587571	0.00577985	0.00009590	1.66%
Niagara Region: Waste Management	0.00092220	0.00089512	0.00002708	3.03%
Education	0.00153000	0.00153000	0.00000000	0.00%
Total	0.01762228	0.01697951	0.00064277	3.79%

The City's year over year increase on a blended property tax basis is 3.12% (5.92% x 52.74% which is the City's portion of the combined tax rate). This compares to 3.44% (2.44% estimated on operations and 1% estimated on capital) during the budget process.

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

	CVA	2021	2020	\$	%
Avg. Residential	\$209,343	\$3,689	\$3,554	135	3.79%
Avg. Commercial	\$322,073	\$11,825	\$11,789	36	0.31%
Avg. Industrial	\$791,321	\$40,455	\$42,045	(1,590)	(3.78)%

The residential property average above represents the average of all residential properties in the City, including waterfront properties. This change has been made after feedback taken during the budget process.

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 highlighted above illustrates the impact on the Province's decision to cut Education rates to these property classes. There was no reduction in the Education rate on residential properties. The net result is commercial properties will see almost no increase and industrial properties will see a reduction in property taxes on a blended rate basis in 2021.

The final tax due dates for all classes are recommended as the last Friday in July (July 30) and the last day in September (September 30).

Financial Implications:

The proposed tax rates form the basis to fund the City's approved 2021 budget.

Conclusion:

Staff recommend the proposed 2021 property tax rates in Appendix A be approved.

Appendices:

- a. 2021 Property Tax Rates

Respectfully submitted,

Bryan Boles, CPA, CA, MBA
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Report Approval:

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