



2024 Preliminary Roll and Related Estimates

EC2023-1047

2023 November 01

2020 June 29 – Report and Recommendations of the Financial Task Force (C2020-0742)

Accept the reports and recommendations of the Financial Task Force in Attachments 2 and 3;

Financial Task Force Recommendations

- **Recommendation #2:**
 - Develop and sustain the credibility of decision-making process by delivering analysis of upcoming year's property tax challenges ahead of the tax rate decision for adequate reflection.
- **Recommendation #4:**
 - Establish annual reporting, that reflects evolving economic conditions including:
 - predicting future-year changes in the taxable assessment base
 - annual changes in property tax dollars charged to residents and businesses across the distribution of taxpayers
 - report on distribution of the tax responsibility across subgroups of residential and non-residential taxpayers to better support timely responses
- **Recommendation #27**
 - Address the misalignment where the approved tax rate decision occur before the information on the distribution of annual property assessments through the property assessment roll is available by providing earlier assessment information.

Recommendation

The Executive Committee:
Forward the report to the 2023 November 7 Regular Meeting of Council and Recommends that Council receive this report for the Corporate Record to inform deliberation on Service Plans and Budget Adjustments in November.



Municipal Property Tax Calculation

Total 2024 Projected Expenditures
\$4,716 M

-

Non-Tax Revenues (Utilities, user fees, etc.)
\$2,443 M

=

Required Property Tax Revenues*
\$2,273 M

52%

Tax Share

48%

Residential Property Taxes
\$1,182 M

Non-Residential Property Taxes
\$1,091 M

Residential Tax Rate

$$\frac{\text{Tax Revenue } 1,182 \text{ M}}{\text{Taxable Assesed Value } 290,094 \text{ M}} = 0.00407744$$

Non-Res Tax Rate

$$\frac{1,091 \text{ M}}{58,336 \text{ M}} = 0.0187028$$



Residential Example

Assessed Value × Tax Rate = Tax

$$\$610,000 \times 0.00407744 = \$2,485$$

* Includes additional \$25m in bylaw adjustments

Municipal Tax Rate Ratio

$$\frac{\text{NR Rate}}{\text{Res Rate}} = 4.59$$



Non-Res Example

Assessed Value × Tax Rate = Tax

$$\$5,200,000 \times 0.0187028 = \$97,255$$





2024 Preliminary Assessment - Overall



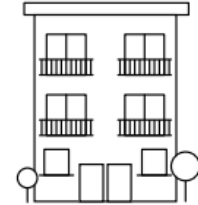
Residential
↑ 10%



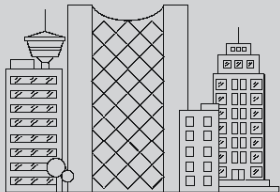
Single Residential
↑ +9%



Apartment Condominiums
↑ +16%



Multi-Residential
↑ +8%



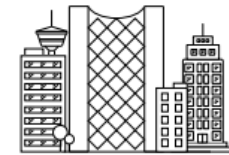
Non-Residential
↑ 2%



Industrial
↑ +10%



Retail
↑ +1%



Office
↑ +1%

Note that these are preliminary values and are subject to change





Property Assessment – Revenue Neutral

If your property's value change is:



Assuming a 0% Council approved budgetary change.





Estimated Tax Impacts - Residential



	Single Residential		
	2023	2024	Year-over-Year Change
Assessment Value	\$555,000	\$610,000	9.91%
Est. Revenue Neutral Municipal Tax	\$2,404	\$2,410	0.24%
Est. Municipal Tax incl. 2023-26 Budget	\$2,404	\$2,485	3.38%

Condo	High-Rise Apartment
Year-over-Year Change	Year-over-Year Change
13.73%	7.62%
3.72%	-1.85%
6.97%	1.22%



Tax Share

52 Res / 48 Non-Res



Tax Rate Ratio

4.59 : 1



Est. Residential Municipal Rate Incl 2023-26 Budget

**Tax Rate 0.0040744
(Mill Rate 4.0744)**

Note that these forecasts and estimates are subject to change based on final assessment information and budget adjustment decisions





Estimated Tax Impacts – Non- Residential



	\$5.2M Property with Average NR Change	Retail – Strip Mall	Office - Downtown AA Class	Typical Industrial - Warehouse	Hotel/ Accommodation
	Year-over-Year Change	Year-over-Year Change	Year-over-Year Change	Year-over-Year Change	Year-over-Year Change
Assessment Value	1.96%	4.55%	0.09%	9.15%	41.97%
Est. Revenue Neutral Municipal Tax	-0.18%	2.35%	-2.02%	6.86%	41.99%
Est. Municipal Tax incl. 2023-26 Budget	3.45%	6.07%	1.55%	10.75%	44.05%



Tax Share

52 Res / 48 Non-Res



Tax Rate Ratio

4.59 : 1



Est. Non-Residential Municipal Tax Rate Incl 2023-26 Budget

Tax Rate 0.0187028
(Mill Rate 18.7028)

Note that these forecasts and estimates are subject to change based on final assessment information and budget adjustment decisions



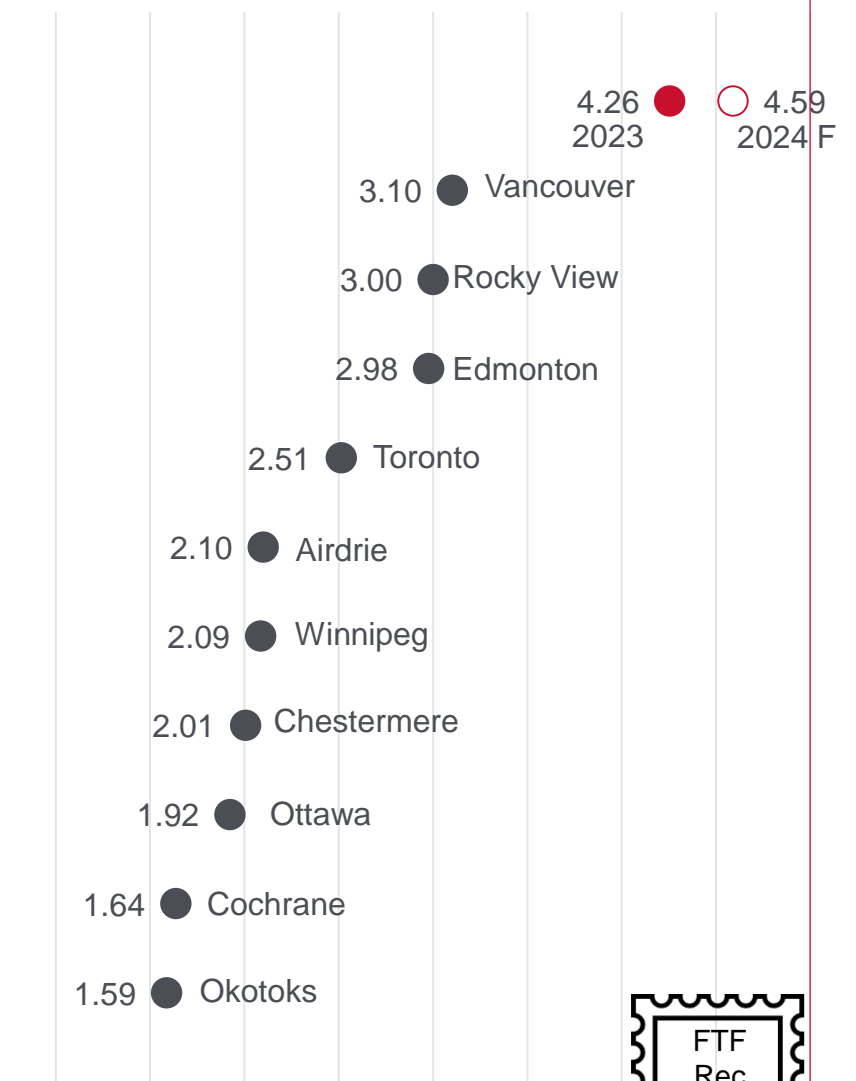


2023 Tax Benchmarking

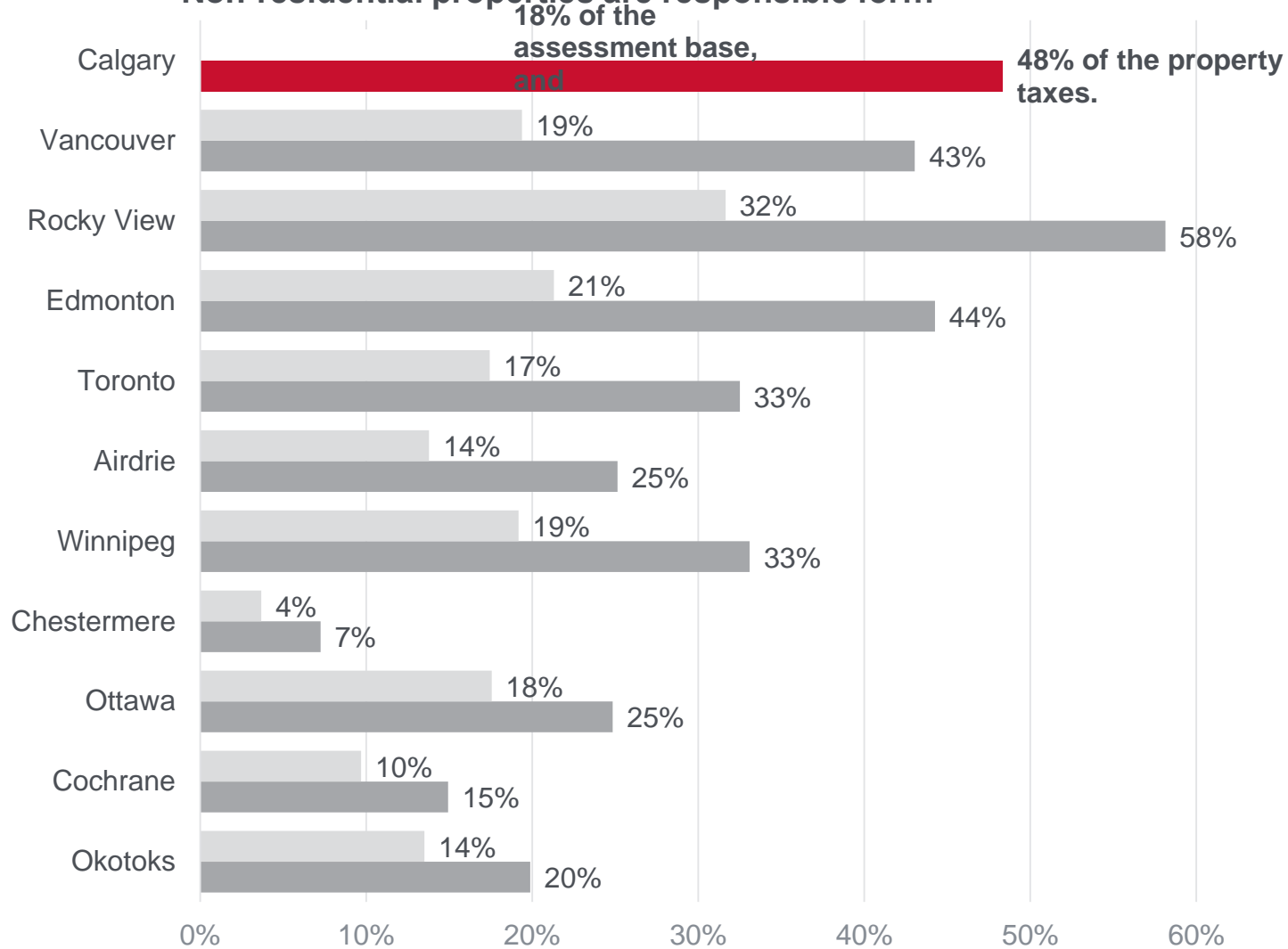
That's a tax rate ratio of:

MAX

1.00 1.50 2.00 2.50 3.00 3.50 4.00 4.50 5.00



Non-residential properties are responsible for...



18% of the assessment base, and 48% of the property taxes.



Recommendation

The Executive Committee:
Forward the report to the 2023 November 7 Regular Meeting of Council and Recommends that Council receive this report for the Corporate Record to inform deliberation on Service Plans and Budget Adjustments in November.