



# The Corporation of the Town of Milton

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Report To: Council

From: Glen Cowan, Chief Financial Officer / Treasurer

Date: May 13, 2024

Report No: CORS-014-24

Subject: 2024 Final Tax Levy By-law and Tax Policy Update

Recommendation: **THAT the final tax rate by-law on today's agenda be considered for approval.**

## EXECUTIVE SUMMARY

Through this report, staff are recommending Council approve the 2024 local municipal tax rates. These rates are derived from the assessment values as provided by the Municipal Property Assessment Corporation (MPAC), the tax ratios established by the Region of Halton, and the Town's 2024 Budget.

This report also establishes the tax due dates for the remainder of 2024 and summarizes the tax policy approved by Halton Regional Council.

## REPORT

### Background

The Municipal Act, 2001 provides municipalities with the authority to levy property taxes in order to meet their financial obligations. In accordance with Section 312 of the Municipal Act, the Council of a local municipality is required to pass a by-law to levy a separate local tax rate on the assessment in each property class.

The draft by-law attached to this report as Appendix B, once approved by Council, will provide for a 2024 final tax levy, based on individual tax rate calculations for the upper and lower tiers as well as for the Province's education rate. Although the draft by-law outlines the tax rates for each of these three levels of government, local Council is only required to approve the local tax rates and installment due dates. The education tax rates are prescribed by the Province and the upper tier tax rates are approved by Regional Council.



## Discussion

### SECTION 1: Local Municipal Tax Rate Setting Overview

- *Tax Ratio Overview*

The tax ratios indicate the tax burden borne by each tax class within the Region. Reducing a tax ratio in one class shifts the tax burden to all other classes since the annual amount to be raised through taxation has been set through the budget process. The authority to annually review and alter tax ratios falls to the upper tier.

The Region has approved the continuance of the 2023 Tax Ratios as follows:

Class	2023 Tax Ratios	2024 Tax Ratios
Residential	1.000000	1.000000
Multi Residential	2.000000	2.000000
New Multi Residential	1.000000	1.000000
Commercial	1.456500	1.456500
Commercial Small-scale	0.364125	0.364125
Industrial	2.090700	2.090700
Industrial Small-scale	0.522675	0.522675
Land awaiting development	0.750000	0.750000
Pipeline	1.061700	1.061700
Farmland	0.200000*	0.200000*
Managed Forest	0.250000	0.250000

\* Upper and Lower Tier ratio shown for Farmland. Education ratio remains at 0.25.

- *2024 Reduction and Discount Factors*

Section 313 of the Municipal Act, 2001 provides for subclasses to be taxed at a lower rate than the full tax rate for the broad class. The tax rates that would otherwise be levied for municipal purposes for the subclasses prescribed by the Assessment Act shall be reduced by percentages prescribed by, or determined in accordance with regulations.

Below are the 2024 discount factors accordingly:



**Discussion**

Class	Local	Region	Education
Farmlands	80%	80%	75%
Managed Forests	75%	75%	75%
Land awaiting Development	75%	75%	75%

- *2024 Unweighted Assessment*

The Municipal Property Assessment Corporation (MPAC) is responsible for submitting to the Town the annual assessment roll. The unweighted assessment for 2024 as provided on that returned roll equals:

Class	2024 Unweighted Assessment
Residential	23,470,032,941
Multi-Residential	164,204,118
New Multi-Residential	43,363,800
Commercial	3,747,866,942
Commercial Small-scale	85,200
Industrial	584,658,936
Land awaiting development	6,034,000
Pipelines	111,770,000
Farmland	383,064,127
Managed Forests	41,948,099
<b>Total</b>	<b>28,553,028,163</b>

- *2024 Weighted Assessment Summary*

Combining the tax ratios from section 1) above with the unweighted taxable assessment described in section 2) results in the weighted assessment utilized for tax rate setting. As shown in the table below, the total 2024 weighted assessment of \$30.7 billion is higher than the 2023 amount as a result of a 2.55% increase in net assessment growth and no change related to phase-in valuation due to the delay in the 2021 reassessment. Any change related to phase-in valuation in any normal year does not result in additional revenue to the Town, rather a redistribution of cost between property owners.



# The Corporation of the Town of Milton

## Discussion

Taxable Weighted Assessment Summary						
Class	2023 Tax Year	2023 Year End (Pre-flip)	% Change for in-Year Growth	2024 Tax Year	% Change related to Phase-in Valuation	Total % Change*
Residential	23,206,191,809	23,470,032,941	1.14	23,470,032,941	0.00	1.14
Multi-Residential	316,260,236	328,408,236	3.84	328,408,236	0.00	3.84
New Multi-Residential	43,363,800	43,363,800	0.00	43,363,800	0.00	0.00
Commercial	4,900,813,671	5,458,768,201	11.38	5,458,768,201	0.00	11.38
Commercial Small-scale	31,023	31,023	0.00	31,023	0.00	0.00
Industrial	1,292,725,745	1,222,346,437	(5.44)	1,222,346,437	0.00	(5.44)
Land awaiting development	4,525,500	4,525,500	0.00	4,525,500	0.00	0.00
Pipelines	118,118,372	118,666,209	0.46	118,666,209	0.00	0.46
Farmland	75,200,583	76,612,825	1.88	76,612,825	0.00	1.87
Managed Forests	10,309,425	10,487,025	1.72	10,487,025	0.00	1.72
<b>Total</b>	<b>29,967,540,164</b>	<b>30,733,242,198</b>	<b>2.55</b>	<b>30,733,242,198</b>	<b>0.00</b>	<b>2.55</b>

\* The % change columns may not total due to the use of different bases in each calculation

It should be noted that the 2.55% net assessment growth figure presented above consists of a gross assessment growth of 3.02% less 0.47% in losses of assessment value due to appeals and reconsiderations that occurred in 2023.

- *Town of Milton 2024 Budget*

On December 4, 2023, Milton Council approved the Municipal 2024 levy requirement which represented a 9.88% increase on the local tax rate. Based on the final assessment growth figure of 2.55%, this translated into a 2024 levy requirement of \$99,180,872 for Town Services including library. These figures are compared to the prior year in the following table.

	2024 Final Levy	2023 Final Levy
Assessment Growth	2.555%	2.279%
Tax Increase	9.88%	7.99%
Net Levy Requirement	\$99,180,872	\$88,012,259

- *Final 2024 Tax Rate Calculation*



**Discussion**

Combining the output of each of the above sections, the following table summarizes the calculation of the 2024 tax rates and resulting allocation of the Town’s 2024 net budget requirement by property tax class.

2024 Local Municipal Tax Rate Calculation Summary					
Class	2024 Tax Ratio (Section 1)	2024 Unweighted Assessment (Section 2)	2024 Weighted Assessment (Section 3)	2024 Net Budget Requirement (Section 4)* \$	2024 Tax Rate (Net Budget / Unweighted Assessment)
Residential	1.000000	23,470,032,941	23,470,032,941	75,741,375	0.00322715
Multi-Residential	2.000000	164,204,118	328,408,236	1,059,824	0.00645430
New Multi-Residential	1.000000	43,363,800	43,363,800	139,941	0.00322715
Commercial	1.456500	3,747,866,942	5,458,768,201	17,616,286	0.00470035
Commercial Small-scale	0.364125	85,200	31,023	100	0.00117509
Industrial	2.090700	584,658,936	1,222,346,437	3,944,700	0.00674700
Land awaiting development	0.750000	6,034,000	4,525,500	14,604	0.00242036
Pipelines	1.061700	111,770,000	118,666,209	382,955	0.00342627
Farmland	0.200000	383,064,127	76,612,825	247,242	0.00064543
Managed Forests	0.250000	41,948,099	10,487,025	33,843	0.00080679
<b>Total</b>		<b>28,553,028,163</b>	<b>30,733,242,198</b>	<b>99,180,872</b>	

\*May contain differences due to rounding.

**Consolidated Final 2024 Tax Rate**

The local municipal tax rates calculated above are combined with the Regional and Education rates set by Halton Region and the Province, respectively. Appendix B presents tax rates for each property class for each of the Town, Region and Province along with the tax rates required to raise the approved budget levy of the DBIA (Downtown Business Improvement Area).

The following table compares the total cost per \$100,000 of CVA for residential properties based on the final 2024 tax rates against the 2024 notional tax rate calculations. The \$775.48 cost per \$100,000 of residential assessment for 2024 represents a 5.53% increase over 2023. Of this amount, the local municipal share is \$322.72 per \$100,000 of residential assessment, which is an increase of 9.88% over the Town’s 2023 cost. These percentage changes capture both the result of the changes in the budgeted levy as well as the results of the changes in tax policy.



**Discussion**

Cost per \$100,000 of CVA for Residential Properties

	<u>2023 Taxes (Notional)</u>	<u>2024 Tax</u>	<u>Difference</u>
Local Services	293.69	322.72	29.03
Regional Services			
General & Waste Management	179.97	183.34	
Police	108.21	116.43	
Subtotal	288.18	299.77	11.59
Education <sup>1</sup>	153.00	153.00	0.00
<b>Total</b>	<b>734.87</b>	<b>775.48</b>	<b>40.62</b>

Schedule may not add due to rounding.

<sup>1</sup> Education reflects only final education rate prescribed in O.Reg.400/98 as updated on January 19, 2024 and aligns with figures presented in FN-11-24.

**SECTION 2: Tax Policy Overview**

In addition to setting tax ratios and upper tier tax rates, Regional Council also establishes tax policies and tax relief programs. Regional report FN-11-24 was approved on April 17, 2024, incorporating such policies and programs for 2024.

Halton Regional Report FN-11-24, is attached as an appendix to this report and outlines in detail the key areas that impact the 2024 tax policies. Also provided as Appendix A is an overview of tax policies, with specific Milton context and figures provided.

**Financial Impact**

The Town of Milton’s 2024 tax levy is \$99,180,872 and the 2024 Business Improvement Area tax levy is \$270,990. To meet financial obligations, staff are preparing to initiate the billing process for the 2024 final taxes. The installment due dates for the final 2024 billing are to be set and pre authorized payment plan programs withdrawals as follows:

Regular Billing Program: June 28, 2024; September 27, 2024

Pre-Authorized Plans:

- Monthly End of Month: June 28, 2024; July 31, 2024; August 30, 2024; September 27, 2024; October 31, 2024
- Monthly Mid-Month: June 17, 2024; July 15, 2024; August 15, 2024; September 16, 2024; October 15, 2024
- Semi-Monthly: June 17 and 28, 2024; July 15 and 31, 2024; August 15 and 30, 2024; September 16 and 27, 2024; October 15 and 31, 2024
- Due Date: June 28, 2024; September 27, 2024



## Financial Impact

At a cost of \$322.72 per \$100,000 of residential assessment, the Town's local municipal tax rate remains amongst the lowest in the province and significantly lower than our peers within Halton Region and the GTA.

Respectfully submitted,

Glen Cowan  
Chief Financial Officer / Treasurer

For questions, please contact: Lesley Payton, Manager Tax and Assessment Phone: Ext. 2141

## Attachments

Appendix A – Tax Policy Overview with Milton Context  
Appendix B – 2024 Final Tax Rate By-law  
Appendix C – Halton Regional Report FN-11-24

Approved by CAO  
Andrew M. Siltala  
Chief Administrative Officer

## Recognition of Traditional Lands

The Town of Milton resides on the Treaty Lands and Territory of the Mississaugas of the Credit First Nation. We also recognize the traditional territory of the Huron-Wendat and Haudenosaunee people. The Town of Milton shares this land and the responsibility for the water, food and resources. We stand as allies with the First Nations as stewards of these lands.