CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial Planning, Administration and Policy Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	April 17, 2019
SUBJECT/REPORT NO:	2019 Tax Policies and Area Rating (FCS19022) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Gloria Rojas (905) 546-2424 Ext. 6247
SUBMITTED BY: **SIGNATURE:**	Brian McMullen Acting General Manager, Finance and Corporate Services Corporate Services Department

RECOMMENDATION(S)

(a) That the following optional property classes be continued for the 2019 taxation year:

- Parking Lot and Vacant Land;
- Large Industrial.

(b) That, based on the 2019 final approved Tax Operating Budget, the following final tax ratios be established for the 2019 taxation year:

- Residential 1.0000
- Multi-Residential 2.5671
- New Multi-Residential 1.0000
- Commercial 1.9800
- Parking Lot and Vacant Land 1.9800
- Industrial 3.3696
- Large Industrial 3.9513
- Pipeline 1.7947
- Farm 0.1767
- Managed Forest 0.2500
- Landfills 2.9696

(c) That the following tax reductions be established for the 2019 taxation year:

• Excess Land Subclass (Residual Commercial)	30%
• Excess land Subclass (Residual Industrial)	30%
• Vacant land Subclass (Residual Industrial)	30%
• Excess land Subclass (Large Industrial)	30%
• Farmland awaiting development (1st Subclass)	25%
• Farmland awaiting development (2nd Subclass)	0%

(d) That the existing Seniors' (65+) Tax Rebate Program be continued for the 2019 taxation year;

(e) That the Deferral of Tax Increases for Seniors and Low-Income Persons with Disabilities Program (Deferral of Tax Increases Program) be continued for the 2019 taxation year;

(f) That the Full Tax Deferral Program for Seniors and Low-Income Persons with Disabilities Program (Full Tax Deferral Program) be continued for the 2019 taxation year as the second year of the three-year pilot;

(g) That the existing 40% Tax Rebate for eligible charities and similar organizations be continued for the 2019 taxation year;

(h) That the existing Tax Rebate for eligible charities and similar organizations be amended to include a 100% tax rebate for Veteran's Clubhouses and Legion Halls which use and occupy land as a memorial home, clubhouse or athletic grounds and would otherwise be tax exempt under Section 3(1) of the *Assessment Act, R.S.O. 1990, c. A.31*.

(i) That the City of Hamilton By-law 12-116 to provide property tax rebates for Veteran's Clubhouses and Legion Halls occupying property in the City of Hamilton be repealed as they are now exempt;

(j) That, for the 2019 taxation year, the tax capping percentage for any assessment-related tax increases in the Commercial and Industrial property classes be set at the maximum allowable of 10% of previous year's Current Value Assessment (CVA) level taxes;

(k) That, for the 2019 taxation year, any capped property in the Commercial and Industrial property classes that is within $500 of its Current Value Assessment (CVA) taxes in 2019, be moved directly to its full Current Value Assessment (CVA) taxes;

(l) That capping protection will be limited only to reassessment related changes prior to 2017;

(m) That the four-year capping phase-out option be continued for the Commercial property class with 2019 being year 2 of 4;

(n) That, if conditions are met pending release of the education tax rate, the four-year capping phase-out option be started for the Industrial property class;

(o) That vacant lands that are currently subject to capping protection be excluded from the phase-out eligibility criteria where all properties must be within 50% of CVA level taxes;

(p) That, for the 2019 taxation year, the minimum percentage of Current Value Assessment (CVA) taxes for properties eligible for the new construction / new to class treatment be set at 100% of Current Value Assessment (CVA) taxes;

(q) That for the 2019 taxation year, any property in the Commercial and Industrial property class which paid full Current Value Assessment (CVA) taxes in 2018, no longer be eligible for capping protection in 2019 and future years;

(r) That, for the 2019 taxation year, all properties eligible for a tax reduction under the existing capping program receive the full decrease, funded from the approved capping program operating budget;

(s) That, for the 2019 taxation year, the Area Rated Levies be approved as identified in Appendix “A” to Report FCS19022 “2019 Tax Policies and Area Rating” attached hereto;

(t) That Schedule “C” of the City of Hamilton By-law 18-131 be amended to reflect the provincially prescribed Education tax rate for the small-scale on-farm business subclasses;

(u) That the City Solicitor & Corporate Counsel be authorized and directed to prepare all necessary by-laws, for Council approval, for the purposes of establishing the tax policies and tax rates for the 2019 taxation year.

EXECUTIVE SUMMARY

This Report highlights the tax policy tools and options for the current taxation year. For the most part this report is consistent with the tax policies recommended in previous years and also includes the following changes:

- New optional property sub-classes – O. Reg. 361/18;
- Elimination of the vacant unit rebate; and,
- Changes to the Veteran's Clubhouses and Legion Halls tax rebate to recognize provincial exemption – s(3)15.1 *Assessment Act, R.S.O. 1990, c. A.31*.

The "Analysis and Rationale for Recommendation(s)" section of this Report provides a table of all the tax policies being recommended.

As identified below in Table 1, the combined impacts of the final approved 2019 Operating Budget, inclusive of the final growth and reassessment impacts and the tax policies recommended in this Report has resulted in achieving a municipal **city-wide residential tax impact of 2.5% or $88** for the average residential property valued at $358,600. This is equivalent to a $25 increase for every $100,000 of assessment. The Provincially prescribed education tax rate has not been released as of the date of this report.

Table 1

2019 Municipal Residential Tax Impact
(Excludes Education Impact)

	2018	2019	$	%
Municipal Taxes	$ 3,469	$ 3,557	$ 88	2.5%

Note: - Anomalies due to rounding
- Updated for growth and reassessment

The tax impact identified above is simply a City-wide average. Area rating and reassessment results in varying tax impacts throughout the City and on a property-by-property basis. Average residential tax impacts by ward and area rating scenario are included in Appendix "B" to Report FCS19022 "2019 Tax Policies and Area Rating" attached hereto.

Table 2 identifies the 2019 Municipal average tax impacts by property class.

Table 2

	Municipal		
	Reassessment + Tax Policies	Budget	Total
Residential	0.2%	2.3%	2.5%
Multi-Residential	-1.4%	0.0%	-1.4%
Commercial	0.6%	2.5%	3.1%
Industrial	-2.3%	1.2%	-1.1%
Farm	3.6%	1.8%	5.4%

Note: Anomalies due to rounding

As shown in Table 2 above, the average municipal tax impacts vary between property classes. This is as a result of varying average reassessment impacts and restrictions on the Multi-Residential and the Industrial property classes.

The reassessment impact for the 2019 taxation year are not as significant as in the previous year in part because valuation changes resulting in decreases are accounted for in the first year of the reassessment cycle while increases are phased-in during the four years of the cycle. In addition, the transition ratios introduced in 2017 provided some mitigation; staff are not recommending transition ratios for the current taxation year.

The final tax impact also includes the effect of the Provincial legislation as it relates to the Multi-Residential property class, in which municipalities with a Multi-Residential tax ratio above 2.0 are not allowed to pass any reassessment related increases to the class and are also subject to a full levy restriction. In addition, the Industrial property class continues to be restricted and levy increases cannot be more than 50% of the increase passed onto the Residential property class. Overall, the tax impact varies significantly between classes.

The municipal tax impact for the Residential property class is 2.5% of which 0.2% is the result of reassessment and tax policies and 2.3% is the result of budgetary increases and levy restrictions. Staff will update Council on the total tax impact including education once the rates for the current year are set by the Province.

The Multi-Residential property class, including properties in the Multi-Residential and New Multi-Residential property classes, is experiencing an average municipal tax reduction of -1.4%. This is beyond the legislated requirement of 0% increase because this class is experiencing a reassessment-related benefit that cannot be passed onto the other classes and also because this class is subject to the full levy restriction, since the City has a tax ratio of 2.5671 (for 2019) which is above the maximum required of 2.0.

The Commercial property class has a reassessment impact of 0.6% and a budget impact of 2.5% for a total municipal impact of 3.1%.

The Industrial property class is experiencing a municipal tax reduction of -1.1% as a result of the lower property values in the current reassessment cycle and the levy restriction. This is consistent with the previous two years of the current reassessment cycle (total tax reduction of -0.6% in 2017 and -1.1% in 2018).

The Farm property class is facing a reassessment related tax impact of 3.6% due to a significant increase in the value of these properties not only in the City, but across the Province, and a budgetary increase of 1.8%. The total municipal impact for the farm class is 5.4%. However, normally farm properties also have a residential component that is experiencing minimal tax impacts as they are located in the rural areas of the City (see “Residential Tax Impacts” section, page 13). The combined impact is, therefore, below the 5.4% shown only for the farm property class and, due to the City’s low tax ratio of 0.1767, the actual tax impact in dollars is also not significant.

Impacts by Ward reported in tables 5 and 6 and in Appendix “B” to Report FCS19022 “2019 Tax Policies and Area Rating” attached hereto reflect the new ward boundaries approved by the Ontario Municipal Board (OMB) in December 2017 and effective for the 2019 taxation year.

Alternatives for Consideration

Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Current and future tax policies impact the City financially in terms of revenue streams and their sources. The policies recommended in this Report have no budget impact since they have all been incorporated into the 2019 approved budget. The combined growth and reassessment impacts have been used to offset the 2019 budgetary pressures.

Staffing: None

Legal: None

HISTORICAL BACKGROUND

Each year, staff bring forward tax policy options as part of the overall annual budget approval. The tax policies being recommended are consistent with the assumptions used when identifying tax impacts to Council during the 2019 budget process.

In 2011, significant changes were approved by Council to the method used for the area rating of specific services. Specifically, commencing in the 2011 taxation year, services such as Recreation, Fire, Sidewalks and Street Lighting are area rated based on an urban / rural model. Culture was area rated prior to 2011 and is no longer area rated. Parkland Purchases, Sidewalk Snow Clearing (Ancaster only) and Transit (urban area only) continue to be area rated by former area municipality.

The final 2019 tax impacts identified in this Report incorporate the budget impact as well as tax policies, growth and reassessment impacts.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

This Report deals with a number of tax policy items.

RELEVANT CONSULTATION

Staff has consulted with Provincial staff and confirmed that the recommended tax policies adhere to the Provincial legislation.

Staff from the Taxation Section and Legal Services Division, Corporate Services Department have also been consulted.

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

Table 3

Tax Policy Tool	Mandatory vs. Discretionary	Recommendation
Tax Ratios	Mandatory Discretionary	• Reduction of the Multi-Residential tax ratio to adhere to Provincial legislation that prevents municipalities to pass any reassessment and budgetary related increases onto this class • Reduction of the Industrial tax ratio to adhere to the levy restriction and only pass on 50% (maximum allowable) of the Residential budgetary tax increase • Commercial tax ratio to continue at the Provincial threshold (Discretionary)
Capping	Mandatory program with discretionary criteria	The Province continues to increase municipalities' options to move properties off of capping. • Limit capping protection only to reassessment related changes prior to 2017 • Once all properties in the class are at CVA taxes, the class is not eligible for capping in future years • Continue to set the maximum allowable capping criteria in an effort to limit the amount of capping • Criteria: 10% of previous year's CVA level taxes and moving to CVA level taxes if within $500 of CVA level taxes • Continuation of the phase-out option for the Commercial property class and excluding vacant lands from the eligibility criteria • No changes in the following criteria: no capping if at full CVA taxes in 2018, full CVA taxes on new construction/ new to class, no clawbacks • New: If applicable after the release of the education tax rate, phase-out option for the Industrial property class

Tax Policy Tool	Mandatory vs. Discretionary	Recommendation
Vacancy Rebates	Discretionary	• Program has now expired for the 2019 taxation year as approved by Council on June 2017 (Report FCS17021(a))
Optional Property Classes	Discretionary	• Maintain existing Parking Lot & (Commercial) Vacant Land and Large Industrial optional property classes • The new small-scale on-farm business subclasses (O. Reg. 361/18) will not be adopted by the City • Education rates for these subclasses will be identified in the corresponding City By-law
Reduction Programs	Discretionary	• Maintain current reduction programs for the vacant and excess land subclasses in the Industrial and Large Industrial property classes. Continue to review and monitor for potential reduction or elimination per updated options introduced by Province in 2017
Seniors Tax Rebate Program	Discretionary	• Continue existing program – see below • 2019 updated rebate amount = $194 (2018 amount of $190 + CPI) • Increase assessment threshold to $465,000 (120% of the updated city-wide average assessed value for a single family dwelling) • increase income threshold to $36,100 (150% of updated GIS couple)
Deferral of Tax Increases Program	Mandatory	• Maintain the program with the updated criteria approved by Council (Report FCS18005) • Update income threshold to $36,100 (150% of updated GIS couple)
Full Tax Deferral Program	Discretionary	• 3-year pilot approved by Council (Report FCS18005) starting in 2018 • Update income threshold to $36,100 (150% of updated GIS couple) • Application fee:$ 200+HST; Interest at 5% per annum
Area Rating	Discretionary	• Area rating based on the Council approved (April, 2011) Urban/Rural model (FCS09087 / FCS09087a / FCS11042) • Appendix “A” to Report FCS19022 identifies the area rated levies for 2019

Tax Policy Tool	Mandatory vs. Discretionary	Recommendation
Rebates to Charities and Similar Organizations	Mandatory	• Continue with existing program • 40% rebate for charities • 100% rebate for accredited educational institutions that rent their property • New: 100% rebate for Veteran's Clubhouses and Legion Halls that would otherwise be tax exempt.

Tax Ratios

Tax ratios distribute the tax burden across the property classes relative to the Residential property class tax ratio, which is set at 1.0000. For example, a property in a property class with a tax ratio of 2 would pay twice the amount of municipal tax as a similarly valued residential property. Tax ratios must be set within flexibility ranges determined by Provincial regulations.

Table 4 identifies the recommended 2019 final tax ratios compared to the 2018 final approved tax ratios and the Provincial thresholds:

Table 4

	2018 Final Tax Ratios	Recommended 2019 Final Tax Ratios	Provincial Threshold	Provincial Range of Fairness
Residential	1.0000	1.0000		
Multi-Residential	2.6342	2.5671	2.7400	1.0 - 1.1
Commercial	1.9800	1.9800	1.9800	0.6 - 1.1
Industrial	3.4115	3.3696	2.6300	0.6 - 1.1
Industrial - Large	4.0004	3.9513	2.6300	0.6 - 1.1
Pipeline	1.7947	1.7947		
Landfills	2.9696	2.9696	3.1189	
Farm	0.1767	0.1767		

As shown above, the Multi-Residential tax ratio has been reduced from 2018 in order to comply with the Provincial legislation that prevents municipalities with tax ratios above 2.0 to pass any reassessment related increases and any budgetary increases onto the Multi-Residential property class.

The Industrial property class continues to be levy-restricted as the City's tax ratio is above the Provincial Threshold and as a result, the 2019 tax ratio has also been reduced from the 2018 tax ratio.

Staff are recommending to maintain the 2018 tax ratios for all other property classes.

Capping

The City has adopted the measures provided in 2016 and 2017 by the Province and significant progress has been made towards CVA taxes. For example, The Multi-Residential property class is no longer eligible for capping and the number of capped properties continues to be reduced every year. Since 2018 the Commercial property class has become eligible for the phase-out program by virtue of having all properties within 50% of CVA level taxes; excluding vacant lands from the eligibility criteria. In the phase-out program, the cap for eligible properties is reduced by one quarter in the first year, by one third in the second year and by half in the third year. After three consecutive taxation years, every property in the class will be exempt from capping protection.

Since the education tax rate has not been released by the Province as of the date of this report, staff is not able to calculate if the Industrial property class meets the criteria to start the phase-out option. Staff is recommending that if the conditions are met once the education tax rate is available, the phase-out option for the Industrial property class be started in 2019.

Vacancy Rebates

In 2017 the Province amended the legislation to provide municipalities with greater flexibility on the administration of the vacancy rebates program. Following approval by Council of report “New Municipal Flexibility for Vacant Unit Rebates and Vacant/Excess Land Subclasses (FCS17021(a))” on June 7, 2017, the City began to phase-out the program, which has been cancelled for the 2019 taxation year and beyond.

New Optional Property Subclasses

In May of 2018, the Government of Ontario established two new optional subclasses for small-scale on-farm businesses. The commercial and industrial subclasses would have a tax rate that is 75% lower than the commercial and industrial rates that would otherwise apply. These subclasses are in effect for 2018 taxation and subsequent taxation years and the Education tax rates for the commercial/industrial operation will be the lesser of the existing tax rate or 0.00272500, irrespective of municipalities opting into the small-scale on-farm business subclasses.

For a property to be assessed in these subclasses, 51% of the commercial and/or industrial facility must be used to sell, process or manufacture something from a product produced on the farmland. The first $50,000 of assessed value attributed to the commercial or industrial operation will qualify for the reduced commercial or industrial tax rate. If the commercial or industrial operation has an assessed value equal to or greater than $1 million, it will not qualify.

Based on MPAC's supplementary roll information, the City of Hamilton has 12 qualifying properties for a total assessment of $350k in both subclasses which would represent a loss in municipal tax revenue of $2,060 (2018). Although the tax impact of adopting the new subclasses is not significant, staff is not recommending to adopt the subclasses since the industrial property class is already benefiting from the levy restriction and lower than average property assessments and it is a condition of the program that the subclass for the commercial property class can only be adopted if the subclass is adopted for the industrial property class.

Reduction Programs for Vacant / Excess Land subclasses

Similar to the Vacancy Rebates which were eliminated, the Province is providing municipalities with flexibility to modify their reduction programs. Staff is not recommending any changes to the City's current program which provides for a 30% reduction for excess lands in the Commercial, Industrial and Large Industrial property classes, as well as 30% reduction for vacant lands in the Industrial property class. Staff will continue to review and monitor this subclass for potential reduction or elimination of the rebate.

Full Tax Deferral Program

Report "Tax Assistance Programs for Seniors and Low-Income Persons with Disabilities (FCS18005)" approved by Council in January 2018 included a recommendation for a 3-year pilot program to assist seniors and low-income persons with disabilities by deferring the full amount of the taxes for the year until the property is sold.

2018 was the first year of the program and the City received 4 applications for a total of $14k in deferred taxes. In 2019 we have received 12 applications that total $19.2k for the February and April instalments of the current taxation year. The instalments for June and September have not been processed yet.

Staff will report back on the progress of the pilot program and any changes that may be warranted after the deadline for the 2019 applications has passed.

Veteran's Clubhouses / Legion Halls Rebate

Effective January 2018, the tax exemption section of the *Assessment Act, R.S.O. 1990, c. A.31* has been updated to add land used and occupied as a memorial home, clubhouse or athletic grounds by an Ontario Branch of the Royal Canadian Legion.

The City had already offered a 100% tax rebate to Veteran's Clubhouses / Legion Halls and therefore there would not be any financial implications as a result of this change in legislation.

This rebate has also been offered to one Veteran's organization that is not an Ontario Branch of the Royal Canadian Legion. Staff is recommending that the Tax Rebates for Eligible Charities and Similar Organizations be amended to allow for a 100% tax rebate for this particular organization to continue as it is not eligible for property tax exemption under the current legislation but has previously received the tax rebate under the City's existing program.

Tax Impacts

The final average tax impacts, as identified in Appendix "B" to Report FCS19022, are the result of various factors:

- 2019 approved tax operating budget (Report FCS18096);
- Approved area rating methodology, whereby Fire, Recreation, Sidewalks and Street Lighting are area rated based on Urban / Rural, while Transit (urban area only), Sidewalk Snow Removal (Ancaster only) and Parkland Purchase are area rated based on the former area municipality;
- Third year of the current reassessment cycle (2017-2020);
- Reassessment and levy restrictions on the Multi-Residential property class;
- Levy restriction on the Industrial property class; and,
- 2019 tax policies as recommended within this Report.

Further details on the impacts by ward are provided in tables 5 and 6 below. Although the Residential City-wide average total impact is 2.5%, due to the various factors identified above, the impacts will vary between former municipalities and wards. While the reassessment accounts for most of the varying impacts experienced in different parts of the City, budget pressures and enhancements in area rated services may also have a greater impact on some wards than others (for example, transit enhancements).

Note that 87% of the Residential properties are identified as fully Urban and 9% as fully Rural. Only 4% of the Residential properties fall within "Urban with Rural Fire" or "Rural with Urban Fire".

Residential Tax Impacts (Reassessment + Tax Policies + Budget)

Tables 5 and 6 break down the 2.5% City-wide average municipal Residential tax impact into the average Urban and Rural Residential tax impacts by ward. Further detail on the impacts by ward and by all four tax groupings (Urban, Rural, Urban with Rural Fire and Rural with Urban Fire) are provided in Appendix "B" to Report FCS19022 "2019 Tax Policies & Area Rating" attached hereto.

Impacts by ward reflect the new ward boundaries approved by OMB in December 2017 and effective for the 2019 taxation year.

Average impacts between wards have significant variation for both urban and rural areas as a consequence of the reassessment and because some services (transit, parkland purchases) continue to be area rated. Municipal impacts vary from 0.7% (Ward 13) to 4.5% (Ward 3) in the urban areas of the City but are relatively similar in the rural areas ranging from 1.3% (Ward 11) to 1.8% (Ward 9). Appendix "A" to Report FCS19022 "2019 Tax Policies & Area Rating" identifies the area-rated levies.

Table 5

2019 Municipal Residential Tax Impacts :
Urban - Including Urban Fire / with Transit
(inclusive of reassessment, area rating and tax policies - excludes education taxes)

BY WARD

	Reassessment & Tax Policies	Budget (inclusive of Area Rating)	Total Average 2019 Impact (%)	Total Average 2019 Impact ($)
Ward 1	1.6%	2.8%	4.4%	$ 173
Ward 2	1.5%	2.8%	4.3%	$ 115
Ward 3	1.7%	2.8%	4.5%	$ 95
Ward 4	0.5%	2.8%	3.3%	$ 74
Ward 5	-0.1%	2.6%	2.5%	$ 74
Ward 6	0.0%	2.8%	2.7%	$ 89
Ward 7	0.4%	2.8%	3.1%	$ 103
Ward 8	0.3%	2.8%	3.0%	$ 109
Ward 9	-0.1%	2.0%	2.0%	$ 70
Ward 10	0.1%	2.0%	2.1%	$ 77
Ward 11	-0.5%	2.1%	1.6%	$ 58
Ward 12	-0.3%	2.0%	1.7%	$ 82
Ward 13	-0.4%	1.0%	0.7%	$ 29
Ward 14	0.2%	2.7%	2.9%	$ 113
Ward 15	-0.2%	2.1%	1.9%	$ 89
City-Wide Average	**0.2%**	**2.3%**	**2.5%**	**$ 88**

The average municipal residential tax impacts by ward are consistent with the results of the previous two years of the reassessment cycle, with Wards 1, 2 and 3 experiencing higher tax reassessment impacts (1.5% to 1.7%) while Wards 11, 12 and 13 benefiting from lower than average reassessment (-0.3% to -0.5%) that reduce their municipal tax impact.

Also similar to 2018, the wards located in the former municipality of Hamilton have a higher than average budget-related tax increase since they carry a higher share of the transit budget; although the transit service had significant increases in terms of the levy and the kilometres serviced, the share remained relatively similar amongst former municipalities.

In terms of budget impacts the only significant change from 2018 is the reduction in parkland purchases benefiting Ward 13 (Dundas properties only).

Table 6

2019 Municipal Residential Tax Impacts :
Rural - Including Rural Fire / No Transit
(inclusive of reassessment, area rating and tax policies - excludes education taxes)

BY WARD

	Reassessment & Tax Policies	Budget (inclusive of Area Rating)	Total Average 2019 Impact (%)	Total Average 2019 Impact ($)
Ward 1	N/A	N/A	N/A	N/A
Ward 2	N/A	N/A	N/A	N/A
Ward 3	N/A	N/A	N/A	N/A
Ward 4	N/A	N/A	N/A	N/A
Ward 5	N/A	N/A	N/A	N/A
Ward 6	N/A	N/A	N/A	N/A
Ward 7	N/A	N/A	N/A	N/A
Ward 8	N/A	N/A	N/A	N/A
Ward 9	0.0%	1.8%	1.8%	$ 56
Ward 10	N/A	N/A	N/A	N/A
Ward 11	-0.5%	1.8%	1.3%	$ 43
Ward 12	-0.3%	1.8%	1.5%	$ 65
Ward 13	-0.3%	1.8%	1.4%	$ 55
Ward 14	N/A	N/A	N/A	N/A
Ward 15	-0.1%	1.8%	1.7%	$ 71
City-Wide Average	**0.2%**	**2.3%**	**2.5%**	**$ 88**

The residential rural areas of the City are experiencing lower than average municipal tax impacts which is mostly the result of assessment values in the rural areas of the City increasing at a lower rate than in the rest of the City and the fact that rural areas are not levied for some services such as Transit.

Overall, budget impacts are consistent across the rural areas of the City. In 2019, the urban areas are seeing small tax reductions due to efficiencies in the Street Lighting budget but also they are experiencing increases in Fire due to higher volume of responses.

ALTERNATIVES FOR CONSIDERATION

Alternatives are discussed in the Analysis and Rationale section of this report.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Economic Prosperity and Growth
Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” – 2019 Area Rated Levies Summary

Appendix “B” – 2019 Municipal Residential Tax Impacts

GR/dkm