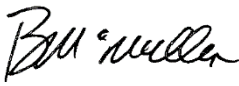




CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial Planning, Administration and Policy Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	April 5, 2023
SUBJECT/REPORT NO:	City of Hamilton Property Tax Increases due to Ontario Legislative Changes (FCS23039) (City Wide) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Kirk Weaver (905) 546-2424 Ext. 2878
SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

RECOMMENDATION(S)

- (a) That staff be directed to review the costs related to legislative changes such as, but not limited to, Bill 108, *More Homes, More Choice Act, 2019*, Bill 109, *More Homes for Everyone Act, 2022* and Bill 23, the *More Homes Built Faster Act, 2022*, beginning with the 2023 taxation year and update the following, as required:
 - (i) The “Provincially Shared Programs” line item of the property tax bill;
 - (ii) The property tax brochure to include information on the impacts;
- (b) That staff be directed to review the feasibility of identifying the costs related to legislative changes as a separate line item on the property tax bill for the 2024 taxation year.

EXECUTIVE SUMMARY

Council, at its meeting on February 22, 2023, directed staff to explore methods and resources in order to include language in the City of Hamilton property tax bills that would indicate any increase in property taxes due to Ontario legislative changes. This would include, but not be limited to, Bill 108, *More Homes, More Choice Act, 2019*, Bill 109, *More Homes for Everyone Act, 2022* and Bill 23, the *More Homes Built Faster Act, 2022*.

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Section 344(2) of the *Municipal Act* requires that any changes a municipality may wish to make to the property tax bill requires the approval of the Minister of Finance.

Staff is recommending updates to the current line item on the property tax bill called “Provincially Shared Programs” to reflect those changes for 2023. In addition, staff is recommending updates to the 2023 property tax brochure that is mailed with property tax bills to provide additional clarity on the impact on property taxpayers of recent legislative changes.

Staff is recommending a review of the feasibility of identifying the costs of making changes related to the impacts of legislative changes for the 2024 taxation year which would include a separate line item on the property tax bill and changes to the property tax brochure.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: There are no direct financial implications resulting from the recommendations contained in Report FCS23039.

Staffing: There are no staffing implications resulting from the recommendations contained in Report FCS23039.

Legal: There are no legal implications as a result of the recommendations in Report FCS22039.

HISTORICAL BACKGROUND

At the February 15, 2023 General Issues Committee meeting and subsequently ratified at the February 22, 2023 Council meeting, the following motion was adopted:

“That staff be directed to explore methods and resources in order to include language in City of Hamilton property tax bills that would indicate any increase in property taxes due to Ontario legislative changes and report back to the General Issues Committee.”

Report FCS23039 responds to that direction.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

The preparation of property tax bills is a municipal responsibility governed by the *Municipal Act, 2001* and Ontario Regulation 75/01 of the *Municipal Act, 2001*. Sections 343 and 344 of the *Municipal Act, 2001* also address the requirements of a municipal property tax bill. Specifically Section 344(2) requires that any changes a municipality may wish to make requires the approval of the Minister of Finance. Section 4(2)2 of Ontario Regulation 75/01 states the tax bill contain “A description of each rate for municipal purposes applied to the property or portion of property set out and labelled separately.”

RELEVANT CONSULTATION

Financial Services and Taxation Division (Taxation Section) of the Corporate Services Department

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

The City currently has seven items listed out on the property tax bill:

- Municipal Levy
- Provincially Shared Programs
- Police Levy
- Transit Levy (only applicable if in Urban Area)
- Fire Levy (Full Time, Composite or Volunteer beginning in 2023)
- Area Levy (urban or rural)
- Education Levy

These items have been added by Council over time. The Provincially Shared Programs line currently includes the provincially cost-shared programs primarily within the Healthy and Safe Communities Department, as well as, the *Provincial Offences Act* program. Any legislative changes impacting funding levels for those programs would be reflected on this line of the City of Hamilton property tax bill.

More recently, changes in legislation have impacted other areas, such as Planning, which typically get rolled into the Municipal Levy line of the property tax bill. Many of these changes were summarized in Reports PED22207, Bill 23, *Proposed More Homes Built Faster Act, 2022*, November 29, 2022 Planning Committee and FCS22085, Bill 23 *Proposed More Homes Built Faster Act, 2022* as it Relates to the *Development Charges Act*, November 30, 2022 General Issues Committee.

Recommendation (a) of Report FCS23039 directs staff to identify the additional costs incurred by the City as a result of these legislative changes and include them within the “Provincially Shared Programs” line on the property tax bill. Staff will also consider updating the title of the line item as it would now contain costs beyond provincially shared programs. It is important to note that only costs that impact the property tax levy would be captured. It would not capture costs funded from other sources like user fees and charges.

In addition to the property tax bill, the City annually produces a brochure that provides a summary explanation of the various components of the property tax bill. This brochure is included in the mailout of property tax bills. Recommendation (b) of Report FCS23039 directs staff to update this material to reflect the impacts of recent legislative changes.

Recommendation (c) of Report FCS23039 directs staff to investigate the feasibility of creating a separate line item for these property tax levy impacts for the 2024 taxation year. Given the time required for finalizing and mailing final tax bills it would not be practical to undertake this in time for the 2023 taxation year.

ALTERNATIVES FOR CONSIDERATION – Not applicable

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement and Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community

Economic Prosperity and Growth

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

APPENDICES AND SCHEDULES ATTACHED

N/A

KW/dt