

Finance Explanation of Special Levy Charge

The following properties in the Downtown BIA paid a reduced BIA levy in 2022 (note that the roll numbers identified below, with the exception of the last one (130-150 King St E) used to be one roll number for Royal Connaught (020.151.50433). That roll number does not exist anymore and 7 new roll numbers created):

Downtown Hamilton		
BIA	ROLL_NO	PROPERTY_ADDRESS
D	020151504350000	0 KING ST E
D	020151504370000	110 KING ST E 1
D	020151504380000	114 KING ST E 2
D	020151504390000	116 KING ST E 3
D	020151504400000	120 KING ST E 4
D	020151504410000	122 KING ST E 5
D	020151504420000	118 KING ST E 6
D	020152000100000	130 KING ST E 150

Roll number would not be identified above if it did not have any commercial or industrial assessment.

By reduced CVA, I mean the following:

In arriving at the BIA tax rate for each respective BIA, Tax Policy staff use the weighted commercial/industrial assessment within each respective BIA. The higher the weighted assessment (leaving the BIA levy unchanged) the lower the BIA tax rate. For Downtown BIA we only use 1/3 of the assessment for the above properties to determine the weighted assessment, thereby increasing the BIA tax rate for all properties within their BIA. We then adjust the BIA levy for the above-mentioned roll numbers to charge the BIA tax rate on only 1/3 of their commercial/industrial assessment.

Below are the 2022 Downtown BIA levy/rates as per the by-law to provide further details. From the tables below you will note:

1. Royal Connaught (020.151.50433) – the “gross BIA tax” should they have not received a 2/3 reduction is \$9,587 – however they were only levied 1/3 (or \$3196)

Table 4 - Downtown Hamilton								
Property Class			Current Value Assessment	Tax Ratio	Weighted Assessment	BIA Tax Rate	BIA Levy	
Commercial			207,064,997	1.9800	409,988,695	0.1931761%	\$ 400,000	
Industrial				3.1985	-	0.3120586%	\$ -	
Large Industrial				3.7506	-	0.3659265%	\$ -	
Total			\$ 207,064,997		\$ 409,988,695		\$ 400,000	
Approved 2022 Levy		\$ 400,000	(divided by weighted assessment) =		0.00097564	tax rate at tax ratio of 1.00		
Use Rateable Assessment								
* 2/3 assessment reduction as per By-law 92-119								
			Gross Assessment	Adjustment	Rateable Assessment	Gross Tax	Net Tax	
* Commercial			020.152.00010	22,530,000	15,020,000	7,510,000	43,523	14,508
Commercial			020.151.50433	4,963,000	3,308,667	1,654,333	9,587	3,196
				27,493,000	18,328,667	9,164,333	53,110	17,703

Sorry for all this detail but wanted to be clear that if we are to remove the 2/3 reduction, yes, the current properties receiving the reduction would be subject to the full BIA levy, but all properties within the respective BIA would benefit by including their full assessment in the BIA tax rate calculation, thereby reducing the BIA tax rate for all properties within the BIA.

The old by-law identified “Holiday Inn” at 150 King St. East. The 2022 by-law identifies this as roll number is 020152000100000 which is for 130-150 King St E. This property is no longer owned by Holiday Inn, but instead by OLD COLONY PROPERTIES INC. This property (130-150 King St E) did receive the 2/3 reduction.