

REPORT TO COUNTY COUNCIL

2024 Preliminary Assessment and Tax Analysis

To: Warden and Members of County Council

From: Director of Corporate Services

RECOMMENDATION

1. That Report CS 2023-43 entitled “2024 Preliminary Assessment and Tax Analysis”, be received for information.

REPORT HIGHLIGHTS

- 2023 estimated preliminary net assessment growth \$389.2 million (\$423.5 million – 2022)
- 2024 estimated County taxes on an average single family detached residential property valued at \$275,022 (based on MPAC’s January 1, 2016 current value assessment) is anticipated to increase by \$141 over 2023

IMPLEMENTATION POINTS

The information contained in this report is intended to provide Council with a preliminary view of the potential growth and other changes to the County’s assessment base, based on new assessment recorded to date in the current year. Once the revised assessment roll is released from the Municipal Property Assessment Corporation, municipalities will have the necessary information for purposes of assessment analysis and tax policy modeling in 2024.

Financial Impact

The information contained in this report has no impact on the County’s budget or tax levy; rather it reflects a preliminary indication of how the County’s budget and tax levy will be distributed among the various property classes and average properties based on assessment values. Considering there is no phase-in of reassessed values, with 2023 tax being based on full CVA of the January 2016 property values, changes to the roll for 2024 will only reflect assessment generated by new and improved property, net of any deletions that occurred in 2023.

The assessment and tax revenue data referenced in this report is based on information compiled by Municipal Tax Equity¹ using assessment data generated by the Municipal Property Assessment Corporation (MPAC).

Communications




The information contained in this report is intended to inform how preliminary assessment growth in the current budget year will impact the distribution of tax to be levied to taxpayers in the new year. As the assessment data is preliminary, it is subject to change at the time the final roll for 2024 tax purposes is received in December 2023. County Council considers the information in this report as integral to the annual budget approval process as it provides an indicator of the levy’s impact on taxpayers.

2023-2026 STRATEGIC PLAN

Oxford County Council approved the **2023-2026 Strategic Plan** on September 13, 2023. The Plan outlines 39 goals across three strategic pillars that advance Council’s vision of “Working together for a healthy, vibrant, and sustainable future.” These pillars are: (1) *Promoting community vitality*, (2) *Enhancing environmental sustainability*, and (3) *Fostering progressive government*.

The recommendation in this report supports the following strategic goals.

Strategic Plan Pillars and Goals

PILLAR 1	PILLAR 2	PILLAR 3
		
Promoting community vitality	Enhancing environmental sustainability	Fostering progressive government
		<p style="color: #4f81bd;">Goal 3.1 – Continuous improvement and results-driven solutions</p> <p style="color: #4f81bd;">Goal 3.4 – Financial sustainability</p>

See: [Oxford County 2023-2026 Strategic Plan](#)

¹ Preliminary In-Year Assessment and Levy Growth and Preliminary Levy Summary 2023, Municipal Tax Equity (MTE) Consultants Inc., dated October 30, 2023

DISCUSSION

Background

The content of this report illustrates growth related implications recorded to date to the County's assessment for 2024 taxation and does not include market changes and the phase-in program that are typical annual adjustments as the Province delayed implementation of the four-year assessment cycle that was to be implemented in 2021 due to economic pressures caused by COVID-19. On August 16, 2023, the Ontario government filed a regulation to amend the Assessment Act, extending the postponement of a province-wide reassessment to 2024.

On the basis of the foregoing, property assessments for the 2024 property tax year will continue to be based on January 1, 2016 current values. This means property assessment remains the same as it was for the 2023 tax year, unless there have been changes to the property, for example:

- changes to property including an addition, new construction, or renovation;
- a structure on a property was assessed for the first time;
- change to property's classification;
- property no longer qualifies as farmland, conservation land or managed forests; or
- all or part of a property no longer qualifies to be tax exempt.

The analysis contained in this report is based on use of tax rates for County general purposes only. Education tax rates and area municipal tax rates have not been included.

All tax calculations and tax levies have been calculated based on the following:

- assessment values have been derived from the County's 2023 roll revised by in-year assessment additions and deletions up to October 24, 2023;
- 2023 tax calculations are based on actual 2023 tax rates;
- revenue neutral rates have been calculated for the purposes of 2024 which, due to the absence of reassessment phase-in, are the same as the 2024 actual tax rates;
- the County's current tax ratio schedule has been applied for 2024; and
- tax rate calculations are based on taxable assessment and exclude payment in lieu properties unless explicitly illustrated.

Comments

2021 was intended to mark the first year of a revised four-year assessment cycle based on January 1, 2019 market values. In the absence of new assessment values being introduced in 2021 and further postponed for 2022, 2023 and 2024 there are no year over year phase-in increases or decreases that will affect taxation results. The contents of this report have been prepared to provide a preliminary review of the growth in assessment at the property class level – see Tables 1 through 6 below that illustrate the following:

[Table 1 – 2023 Preliminary Assessment Growth](#)

[Table 2 – 2023 Preliminary Revenue Growth \(Annualized\)](#)

[Table 3 – Annual Growth Comparison – 2022 Actual to 2023 Preliminary](#)

Table 4 – Preliminary General Levy Change

Table 5 – Preliminary 2024 Rates

Table 6 – Preliminary Tax Impact on Average Single Family Residential Property

Table 1 – 2023 Preliminary Assessment Growth – provides a summary of the net effect of the annualized in-year changes to assessment for 2023 tax purposes. Growth includes physical changes to property such as new construction, additions, improvements and demolitions, as well as equity changes in value that are triggered by Minutes of Settlement, decisions of the Assessment Review Board, and refund applications – representing real changes in the County’s tax base, including growth and loss.

Property Tax Class	2023 Full CVA		Preliminary Growth	
	As Returned	Year to Date	\$	%
Taxable				
Residential	11,845,158,011	11,957,526,761	112,368,750	0.95%
Farm	6,434,092,188	6,606,926,067	172,833,879	2.69%
Managed Forest	13,520,100	13,868,000	347,900	2.57%
New Multi-residential	51,236,700	79,684,400	28,447,700	55.52%
Multi-residential	205,373,891	203,872,091	-1,501,800	-0.73%
Commercial	1,269,592,259	1,309,172,104	39,579,845	3.12%
Industrial	293,838,711	336,922,986	43,084,275	14.66%
Large Industrial	387,869,909	382,293,677	-5,576,232	-1.44%
Pipeline	266,305,000	265,899,000	-406,000	-0.15%
Sub-total Taxable	20,766,986,769	21,156,165,086	389,178,317	1.87%
Payments in Lieu				
Residential	1,862,300	1,850,900	-11,400	-0.61%
Commercial	64,759,000	64,428,460	-330,540	-0.51%
Industrial	2,814,300	2,804,700	-9,600	-0.34%
Landfill	1,493,700	1,493,700	0	0.00%
Sub-total PIL	70,929,300	70,577,760	-351,540	-0.50%
Total	20,837,916,069	21,226,742,846	388,826,777	1.87%

Table 2 – 2023 Preliminary Revenue Growth (Annualized) – provides data illustrating the net revenue growth calculated as the difference in the returned roll tax amount and the preliminary year-end/revised roll. These calculations represent a full year of taxation and therefore are not a true representation of the revenues that would have been realized in 2023 as many changes would not have been in effect for the full tax year.

Property Tax Class	2023 General Levy		Revenue Growth	
	As Returned	As Revised	\$	%
Taxable				
Residential	46,079,205	46,499,159	419,954	0.91%
Farm	5,448,904	5,595,273	146,369	2.69%
Managed Forest	13,149	13,487	338	2.57%
New Multi-residential	199,318	309,983	110,665	55.52%
Multi-residential	1,597,862	1,586,178	-11,684	-0.73%
Commercial	9,300,822	9,592,618	291,796	3.14%
Industrial	2,910,845	3,353,088	442,243	15.19%
Large Industrial	3,904,658	3,847,607	-57,051	-1.46%
Pipeline	1,304,586	1,302,596	-1,990	-0.15%
Sub-total Taxable	70,759,349	72,099,989	1,340,640	1.89%
Payments in Lieu				
Residential	7,245	7,201	-44	-0.61%
Commercial	473,697	471,029	-2,668	-0.56%
Industrial	27,080	27,016	-64	-0.24%
Landfill	11,051	11,051	0	0.00%
Sub-total PIL	519,073	516,297	-2,776	-0.53%
Total	71,278,422	72,616,286	1,337,864	1.88%

Table 2a – 2023 Preliminary Revenue Growth (Annualized) 7 Year Comparative – provides data illustrating the percentage increases in net revenue growth over the seven-year period ending in 2023.

Year	Increase
2017	2.39%
2018	2.93%
2019	2.33%
2020	2.00%
2021	1.96%
2022	2.75%
2023*	1.89%

*Note: As the 2023 preliminary assessment growth figures contained in this report are based on October 24, 2023 data, the analysis is subject to change with potential updates prior to being finalized and released by year end.

Table 3 – Annual Growth Comparison – 2022 Actual to 2023 Preliminary – illustrates how assessment growth related changes have occurred between 2022 and 2023 relative to property tax class.

Property Tax Class	Annualized Levy Growth			
	2022 Actual		2023 Preliminary	
	\$	%	\$	%
Taxable				
Residential	1,471,949	3.42%	419,954	0.91%
Farm	-22,716	-0.43%	146,369	2.69%
Managed Forest	294	2.37%	338	2.57%
New Multi-residential	89,682	87.12%	110,665	55.52%
Multi-residential	24,413	1.61%	-11,684	-0.73%
Commercial	219,092	2.50%	291,796	3.14%
Industrial	35,923	1.29%	442,243	15.19%
Large Industrial	14,299	0.38%	-57,051	-1.46%
Pipeline	-2,486	-0.20%	-1,990	-0.15%
Sub-total Taxable	1,830,450	2.75%	1,340,640	1.89%
Non-Taxable				
Residential	-887	-11.24%	-44	-0.61%
Commercial	-26,421	-5.46%	-2,668	-0.56%
Industrial	1,300	5.23%	-64	-0.24%
Landfill	0	0.00%	0	0.00%
Sub-total PIL	-26,008	-4.93%	-2,776	-0.53%
Total	1,804,442	2.69%	1,337,864	1.88%

2022 Actual Revenue Growth was measured as of roll return for 2023 taxation and 2023 Preliminary Growth contained in this report is based on data extracted on October 24, 2023.

Table 4 – Preliminary General Levy Change – compares the 2024 preliminary tax levy (\$81,604,262 – subject to rounding) to the 2023 annualized year-end levy as distributed to each of the property tax classes.

Property Tax Class	Preliminary General Levy Change		Levy Change	
	Year to Date	Preliminary 2024	\$	%
	\$	\$	\$	%
Taxable				
Residential	46,499,159	52,628,714	6,129,555	13.18%
Farm	5,595,273	6,332,871	737,598	13.18%
Managed Forest	13,487	15,265	1,778	13.18%
New Multi-residential	309,983	350,845	40,862	13.18%
Multi-residential	1,586,178	1,795,269	209,091	13.18%
Commercial	9,592,618	10,857,119	1,264,501	13.18%
Industrial	3,353,088	3,795,095	442,007	13.18%
Large Industrial	3,847,607	4,354,805	507,198	13.18%
Pipeline	1,302,596	1,474,306	171,710	13.18%
Sub-total Taxable	72,099,989	81,604,289	9,504,300	13.18%
PIL				
Residential	7,201	8,149	948	13.16%
Commercial	471,029	533,121	62,092	13.18%
Industrial	27,016	30,576	3,560	13.18%
Landfill	11,051	12,507	1,456	13.18%
Sub-total PIL	516,297	584,353	68,056	13.18%
Total	72,616,286	82,188,642	9,572,356	13.18%

Table 5 – Preliminary 2024 Rates – compares the 2024 preliminary tax rates to the actual 2023 tax rates as applied.

Property Tax Class	General Tax Rates		% Change
	2023 Actual	2024 Preliminary	
Residential	0.00389013	0.00440293	13.18%
Farm	0.00084688	0.00095852	13.18%
Managed Forest	0.00097253	0.00110073	13.18%
New Multi-residential	0.00389013	0.00440293	13.18%
Multi-residential	0.00778026	0.00880586	13.18%
Commercial	0.00739825	0.00837349	13.18%
Industrial	0.01023104	0.01157971	13.18%
Large Industrial	0.01023104	0.01157971	13.18%
Landfill	0.00739825	0.00837349	13.18%
Pipeline	0.00489884	0.00554461	13.18%
Taxable Levy	70,759,302	81,604,262	15.33%

Table 6 – Preliminary Tax Impact on Average Single Family Residential Property – this table compares the 2023 average single family detached residential property to the 2024 average single family detached residential property in terms of assessment (based on MPAC’s January 1, 2016 current value assessment) and the resulting tax based on the 2023 actual residential tax rate and the 2024 preliminary residential tax rate, calculated using the draft 2024 general levy of \$81,604,262. The illustration also provides similar calculations based on each \$250,000 of residential property assessment.

Single Family Detached Residential	2023 Actual	2024 Preliminary	\$ Change	% Change
CVA	\$275,022	\$275,022	\$0	0.00%
General tax rate	0.00389013	0.00440293	0.00051280	13.18%
General tax rate	\$1,070	\$1,211	\$141	13.18%
Single Family Detached Residential	2023 Actual	2024 Preliminary	\$ Change	% Change
CVA	\$250,000	\$250,000	\$0	0.00%
General tax rate	0.00389013	0.00440293	0.00051280	13.18%
General tax rate	\$973	\$1,101	\$128	13.18%

CONCLUSIONS

This report provides a preliminary indication of the County’s draft 2024 budget impact on tax distribution among the various property tax classes and the average single family residential property.

The information presented in this report provides a preliminary view of the information typically presented to Council to establish annual tax policies. It is important to note that tax policy decisions should not be based on the content of this report.

SIGNATURES

Departmental approval:

Original signed by

Lynn S. Buchner, CPA, CGA
 Director of Corporate Services

Approved for submission:

Original signed by

Benjamin R. Addley
 Chief Administrative Officer