

REPORT TO COUNTY COUNCIL

2024 Tax Policy By-law

To: Warden and Members of County Council

From: Director of Corporate Services

RECOMMENDATION

1. That By-law No. 6624-2024, being a to establish tax ratios and levy tax rates for upper-tier purposes for the year 2024, be presented to Council for enactment.

REPORT HIGHLIGHTS

- To enact the necessary by-law to set the County's tax policy for the 2024 taxation year.
- Average residential property tax bill will increase by \$176; typical farm related property tax bill will increase by \$333 in 2024 – for County purposes only.

IMPLEMENTATION POINTS

Upon passing the by-law introduced under this report, County and Area Municipal Finance staff will proceed with the annual assessment review and tax calculation process necessary for final billings.

Financial Impact

Approval of the recommendations contained in this report will have no financial impact beyond what has been approved in the current year's budget.

Tax policy decisions reflect how the County and Area Municipalities' tax levies will be distributed among the various property tax classes and by property based on 2024 property assessment values determined by the Municipal Property Assessment Corporation (MPAC).

Communications

The 2024 Tax Ratios and Rates By-law will be circulated to the Area Municipal Treasurers for billing purposes and remitting final 2024 levy instalment payments to the County – set for September 30 and December 13, 2024.




The County’s webpage [Property Taxes – Your County tax dollars explained](#) will be updated accordingly.

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 recommendations 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
		Goal 3.4 – Financial sustainability

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

DISCUSSION

Background

On an annual basis, County Council is required to establish tax policy that determines the apportionment of the tax burden within and between tax classes, and among properties. In setting these policies the following relationships need to be considered:

1. Effect of tax ratios on the distribution of the tax burden between tax classes, and “levy restriction” provisions;
2. Implications of use or discontinuation of other optional tax policy tools i.e. optional tax classes and graduated taxation; and/or,
3. Changes to existing tax policies affecting taxation on vacant property or land and farmland awaiting development, and programs that provide relief for charitable organizations; and low-income seniors and persons with disabilities.

Many of the tax policy decisions are required to be enacted by by-law on an annual basis to recognize the importance of the responsibility and impacts of the decisions that will fluctuate from year to year due to changes in assessment and the economic environment.

Tax policy recommendations were presented to County Council in [Report CS 2024-10](#) entitled “2024 Tax Policy” at the March 13, 2024 meeting. The recommendations were formed based on collaborative perspectives of the Area Municipal Treasurers and/or Tax Collectors having regard for local impacts. There were no tax policy changes recommended from those adopted for the years 2020 to 2023 and no direction or further analysis was requested from Council with respect to the 2024 tax policy recommendations.

Comments

Ontario’s Property Assessment and Taxation Review

2024 property tax will be based on the same property values as in 2020 through to 2023 due to the Provincial Government’s deferral of reassessment. Over the course of this time, the Provincial Government has been conducting a review of Ontario’s property tax and assessment system. The review is intended to explore opportunities to support a competitive business environment; enhance the accuracy and stability of property assessments; and strengthen the governance and accountability of MPAC. As part of the review, the Province has been consulting with municipalities through a Property Assessment and Taxation Review Municipal Advisory Committee.

Predictability in a sound assessment base is a particular interest to the County and our Area Municipal partners as a significant portion of our industrial assessment base is comprised of the auto industry, which has struggled for decades to achieve fair and equitable assessment in the absence of a defensible valuation methodology. This unpredictability comes at a cost to all property taxpayers in Oxford County, resulting in millions of dollars of taxation being refunded several years after being collected and invested in our community.

Over the years, staff and Councillors have advocated for a review of the methodology used to assess these provincially significant properties, through municipal associations Ministry of Finance - Property Assessment and Taxation Review Municipal Advisory Committee, Minister of Finance and MPAC, to no avail.

Nevertheless, staff will continue to advocate for a reliable valuation methodology for auto manufacturing properties throughout Ontario to avoid perpetual appeals that hold municipalities hostage for years and threatens our communities’ sustainability.

In addition to these efforts, at County Council’s March 13, 2024 meeting, Council endorsed a request from the Town of Ingersoll to financially support a joint effort of at least three municipalities that host auto manufacturing special purpose properties within their jurisdictions, to retain independent consultants having expertise in public affairs, finance and property tax matters, to advocate for a more stable and predictable tax model for these properties. County Council will be kept apprised of the efforts of this engagement.

2024 Tax Policy

The 2024 tax policy provisions are summarized in Table 1 and have been incorporated in the by-law before Council for consideration in accordance with the recommendations presented in Report CS 2024-10.

Table 1 – 2024 Tax Policy

	Tax Policy	Highlights																				
1.	Tax Ratios	<table style="width: 100%; border-collapse: collapse;"> <tr><td>Residential</td><td style="text-align: right;">1.0</td></tr> <tr><td>Multi-Residential</td><td style="text-align: right;">2.0</td></tr> <tr><td>New Multi-Residential</td><td style="text-align: right;">1.0</td></tr> <tr><td>Farm</td><td style="text-align: right;">0.2177</td></tr> <tr><td>Managed Forest</td><td style="text-align: right;">0.25</td></tr> <tr><td>Commercial</td><td style="text-align: right;">1.9018</td></tr> <tr><td>Landfill</td><td style="text-align: right;">1.9018</td></tr> <tr><td>Industrial</td><td style="text-align: right;">2.63</td></tr> <tr><td>Large Industrial</td><td style="text-align: right;">2.63</td></tr> <tr><td>Pipeline</td><td style="text-align: right;">1.2593</td></tr> </table>	Residential	1.0	Multi-Residential	2.0	New Multi-Residential	1.0	Farm	0.2177	Managed Forest	0.25	Commercial	1.9018	Landfill	1.9018	Industrial	2.63	Large Industrial	2.63	Pipeline	1.2593
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2.	Tax Rate Reductions for Prescribed Property Subclasses	Tax rate discounts – for vacant lands and farmland awaiting development Farm 55% Commercial 30% Industrial 35%																				
3.	Tax Rates for Upper Tier Purposes	Tax rates are calculated using the ratios and tax reductions set out above and the levy amount required to be raised for the following purposes: <ul style="list-style-type: none"> ▪ General - \$82,566,456 ▪ Library - \$5,223,742 ▪ Woodstock Police Services Court Security and Prisoner Transportation - \$82,936 																				

Impact on Typical Properties

Tables 2 and 3 present the impact of 2024 tax policy on the average residential household and typical farm related properties, indicating that the average residential household will see an increase of approximately \$176 in their 2024 property tax bill related to County services, including area rated services, while the typical farm related properties will experience an approximate \$333 increase.

Table 2 – Tax Impact on Average Single Family Residential Property – Total County Levy

Single Family Detached Residential	2023 Tax	2024 Tax	\$ Change	% Change
Phased CVA	\$275,022	\$275,022	\$0	0.00%
Composite tax rate	0.00426167	0.00489998	0.00063831	14.98%
Total tax	\$1,172	\$1,348	\$176	14.98%
Single Family Detached Residential	2023 Tax	2024 Tax	\$ Change	% Change
Phased CVA	\$250,000	\$250,000	\$0	0.00%
Composite tax rate	0.00426167	0.00489998	0.00063831	14.98%
Total tax	\$1,065	\$1,225	\$160	14.98%

Table 3 – Tax Impact on Farm Related Properties – Total County Levy

Farm Related Properties	2023 Tax	2024 Tax	\$ Change	% Change
Farm House CVA	\$201,500	\$201,500	\$0	0.00%
Composite tax rate	0.00426167	0.00489998	0.00063831	14.98%
Total tax	\$859	\$987	\$129	14.98%
Farm Related Properties	2023 Tax	2024 Tax	\$ Change	% Change
Farm Land CVA	\$1,471,700	\$1,471,700	\$0	0.00%
Composite tax rate	0.00092776	0.00106673	0.00013897	14.98%
Total tax	\$1,365	\$1,570	\$205	14.98%
Total Property Tax	\$2,224	\$2,557	\$333	14.98%

CONCLUSIONS

The by-law being introduced to Council under this report has been prepared on the basis of distributing the County’s tax levy among the various property classes and conforms with the Province’s initiative to pause implementation of revised property assessment values during times of instability in property values and the economy

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