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Consolidated Version, revised and verified May 10, 2017

Revision History:	Passed On:
2017-073 (Original)	May 8, 2017

Consolidated for Convenience Only

This is a consolidation copy of a City of Owen Sound By-law for convenience and information. While every effort is made to ensure the accuracy of this by-law, it is not an official version or a legal document. The original by-law should be consulted for all interpretations and applications on this subject. For more information or to view by-laws please contact the Clerks Department.

The Corporation of the City of Owen Sound

By-law No. 2017-073

A By-law to adopt a policy respecting taxes for the City of Owen Sound

WHEREAS section 329.1 of the *Municipal Act, 2001, S.O. 2001 c.25*, as amended (hereinafter referred to as the "Act"), and Ontario Regulation 73/03, made under the Act, modify the provisions and limits set out in Part IX of the Act, with respect to the calculation of taxes for municipal and school purposes for properties in the Multi-Residential, Commercial and Industrial property classes; and

WHEREAS a municipality may, in accordance with the terms and provisions of Ontario Regulation 73/03 as made and amended under the Act, pass a by-law ending the application of Part IX of the Act for the Multi-Residential and Industrial property classes; and

WHEREAS pursuant to an order under section 25.2 of the Act dated June 30, 2001 and Ontario Regulation 311/01 the Corporation of the City of Owen Sound (the "City") has maintained separate tax ratios from the County and establishes tax ratios pursuant to Ontario Regulation 311/01 and section 308(4) of the Act; and

WHEREAS Ontario Regulation 311/01 provides that the City shall establish and levy, with respect to each upper-tier levy of the County under Section 311 of the Act, a separate tax rate on the assessment in each property class in the City rateable for purposes of the upper-tier levy sufficient to raise the City's portion of the upper-tier levy; and

WHEREAS section 257.12 (1) of the *Education Act, R.S.O. 1990, c. E.2* provides that the City shall establish tax rates to be levied for all property classes for school board purposes; and

WHEREAS section 220 (17) of the Act provides that the City shall levy rates on all persons assessed for business assessment in the area designated by By-law No. 1973-005 as an Improvement Area for the estimated expenditures determined by the Board of Management and approved by the Council of the City; and

WHEREAS section 342 of the Act provides that a municipality may pass by-laws providing for the payment of taxes in instalments and due dates; and

WHEREAS section 330 of the Act provides that a municipality may limit tax decreases for a taxation year in order to provide for the recovery of foregone revenue resulting from the application of sections 329 and 329.1 of the Act subject to the limits set out in Part IX of the Act; and

WHEREAS on April 24, 2017, the Council of The Corporation of the City of Owen Sound adopted Resolution No. R-170424-010 to authorize the enactment of this by-law to adopt a policy respecting taxes in accordance with Scenario 4.a.;

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE CITY OF OWEN SOUND HEREBY ENACTS AS FOLLOWS:

Part I. Interpretation

Short Title

1. This by-law shall be known as the "Tax Policy By-law".

Headings

2. The division of this by-law into parts and the insertion of headings are for convenient reference only and shall not affect interpretation of the by-law.

References to Applicable Law

3. All references to applicable law are ambulatory and apply as amended from time to time.

Definitions

4. For the purposes of this by-law:
 - “Act” means the *Municipal Act, 2001*, S.O. 2001, c. 25;
 - “City” means The Corporation of the City of Owen Sound;
 - “County” means The Corporation of the County of Grey;
 - “Education Act” means the *Education Act*, RSO 1990, c E.2 and
 - “Treasurer” means the Treasurer appointed by the City.

Part II. Optional Tools

Administering Limits for Certain Property Classes

5. Having determined that the eligibility requirements set out under section 8.2 of Ontario Regulation 73/03 have been met in respect of the Multi-Residential and Industrial property classes, the City opted to end the application of Part IX of *The Act* for these classes in 2016.
6. Having determined that the eligibility requirements set out under section 8.3 of Ontario Regulation 73/03 have been met in respect of the Commercial property class, the City opts to phase-out the application of Part IX of *The Act* for that class with 2017 being the second year of the phase-out.
7. Paragraphs 1, 2, 3 and 4, of subsection 329.1 (1) of the Act shall apply to the Commercial property classes.
8. In determining the amount of taxes for municipal and school purposes for the year under subsection 329 (1) and the amount of the tenant’s cap under subsection 332 (5), the greater of the amounts determined under paragraphs a) and b) as set out below shall apply in determining the amount to be added under paragraph 2 of subsection 329 (1), and the increasing amount under paragraph 2 of subsection 332 (5).
9. The percentage set out in subsections 329(1) paragraph 2 and 332(5) paragraph 2 of the Act shall be ten per cent (10%).
10. The amount of the uncapped taxes for the previous year shall be multiplied by 10 per cent (10%).
11. The amount of the taxes for municipal and school purposes for a property for a taxation year shall be:
 - a. the amount of the uncapped taxes for the property for the year if the amount of the uncapped taxes exceeds the amount of the taxes for municipal and school purposes for the property for the taxation year as determined under section, as modified under section 329.1 of the Act and this by-law, by five hundred dollars (\$500.00) or less.
12. Paragraphs 1, 2 and 3, of section 8.0.2 (2) of Ontario Regulation 73/03 shall apply to the Commercial property classes.
13. Properties shall be exempt from the capping calculations set out under Part IX of the Act. The capped taxes for the property in the previous year were:
 - a. equal to its uncapped taxes for that year;

- b. lower than the property's uncapped taxes for that year, and the current year's capped taxes would be higher than the current year's uncapped taxes if Part IX were applied; and
- c. higher than the property's uncapped taxes for that year, and the current year's capped taxes would be lower than the current year's uncapped taxes if Part IX were applied.

Decreased Limits – Certain Properties

- 14. Pursuant to section 330 of the Act, tax decreases for property in the following classes shall be subject to the following limitations:
 - a. Decreased Retained 74.3649
 - b. Decrease Clawback 25.6531
- 15. Section 12 of this by-law applies where:
 - a. the Decreased Retained means the proportion of an anticipated assessment related tax decrease that is passed through in accordance with Part IX of the Act, and
 - b. the Decrease Clawback means the proportion of an anticipated assessment related tax decrease that is withheld in accordance with Part IX of the Act.

Administering Limits for Eligible Properties – New Construction

- 16. Paragraph 8 of subsection 329.1 (1) of the Act shall apply to the Commercial property class.
- 17. For all properties that become eligible within the meaning of subsection 331 (20) of the Act, the taxes for municipal and school purposes for the year or portion of the year shall be the greater of:
 - a. the amount of the taxes determined for the property for 2017 under subsection 331 (2), and
 - b. the amount of the uncapped taxes for the property for 2017 multiplied by one hundred per cent (100%).

Part III. Tax Ratios and Tax Rates

Establish Rates to be Levied Against the Assessment

- 18. The City shall levy upon the assessment values for all properties the tax rates for general purposes set out in Schedule A of this by-law.

Tax Ratios

- 19. That for the taxation year 2017, the tax ratio for property in:
 - a. the Residential property class is 1.000000;
 - b. the Multi-Residential property class is 2.04669;
 - c. the New Multi-Residential property class is 1.000000
 - d. the Commercial property class is 1.919511;
 - e. the Residual Industrial property class is 2.231363;
 - f. the Large Industrial property class is 2.919330;
 - g. the Pipelines property class is 2.959825;
 - h. the Farm property class is 0.250000; and
 - i. the Managed Forests property class is 0.250000.

Tax Rate Reductions

- 20. The tax reduction used to establish the ratios for the subclasses below is:

- a. 30% for the Vacant Land, Vacant Units, and Excess Land subclasses in the Commercial property class;
- b. 35% for the Vacant Land, Vacant Units, and Excess Land subclasses in the Industrial property class; and
- c. 75% for the subclass designated as R1 (taxable at the Farm Awaiting Development Phase I rate – registered plan stage).

Tax Rates Levied for School Board Purposes

- 21. The City shall levy upon all property classes the tax rate as prescribed by the Province of Ontario for school board purposes set out in Schedule B of this by-law.
- 22. The property tax levy for school board purposes raised from all property classes, as levied, shall be paid in accordance with the provisions of the *Education Act* and the Regulations made under it.

Estimates for the Sums Required for the County of Grey

- 23. The City adopts the sum of Seven Million, Eight Hundred Ten Thousand, Four Hundred and Eight Dollars (\$7,810,480) as the estimates of the property tax levy required for County Purposes.
- 24. The City shall levy upon the assessment values for all properties that have been derived from the assessment rolls the tax rates for County purposes set out in Schedule C of this by-law.

Levy Rates on Business Classes for Downtown Improvement Area

- 25. For the purposes of the board of management of the business improvement area, the City shall levy the amounts calculated for each prescribed business property class and subclass set out in the table below:

Prescribed Business Class/Subclass	Rateable Assessment	Special Charge	Total Special Charge
Commercial	\$51,589,471	0.452385%	\$233,383.13
Commercial Vacant Units & Excess Land	\$366,300	0.316670%	\$1,159.96
Industrial	\$101,000	0.452385%	\$456.91

Levy Rates for Utility Transmission Corridors

- 26. The City shall levy against utility transmission corridor acreage assessments the tax rate as prescribed by the Province for municipal and school board purposes.
- 27. The property tax levied by the City from utility transmission corridors for school board purposes be paid in accordance with the provisions of the *Education Act* and the Regulations passed thereunder.

Part IV. Method of Tax Payments

Timing

- 28. The balance of the rates and taxes assessed and levied respecting taxes in all wards and the Downtown Improvement Area levy shall be payable as follows:
 - a. the first instalment shall be payable on the 30th day of June, 2017.
 - b. the second instalment shall be payable on the 29th day of September, 2017.
- 29. If default is made in the payment of any instalment by the day named herein for payment thereof, the subsequent instalment or instalments shall forthwith become payable, and penalty will be charged in accordance with the City’s Fees and Charges By-law.

Pre-Authorized Tax Payment Plan

- 30. Payment may also be made in accordance with By-law No. 2013-094 which provides for an alternative pre-authorized tax payment plan.
- 31. No discount shall be allowed in respect of prepayment of the second instalment.

Tax Bill

- 32. The Treasurer shall send a tax bill to the taxpayer in accordance with section 343 of the Act and have regard to the timing, contents and address for delivery set out in the Act
- 33. Pursuant to the provisions of section 348 (1) of the Act, the Treasurer shall by February 28 in each year determine the position of every tax account as of December 31 of the preceding year.

Part V. Enactment

Enactment

- 34. This by-law shall come into full force and effect upon the final passing thereof at which time all by-laws, policies and resolutions that are inconsistent with the provisions of this by-law are hereby repealed insofar as it is necessary to give effect to the provisions of this by-law.

FINALLY PASSED AND ENACTED this 8th day of May, 2017.

Mayor Ian C. Boddy

Briana M. Bloomfield, Deputy Clerk

Schedule A - Tax Rates and Estimates for City Levy

	RTC RTQ	2017 PHASE-IN Assessment	Tax Ratios	Sub-Class Discounts	Weighted/ Discounted CVA	2017 EFFECTIVE Tax Rates	Taxation	Total Taxes by Major Classes	
Taxable									
Residential/Farm	RT	1,464,829,720	1.000000	1.00	1,464,829,720	0.01163501	17,043,308	17,043,308	
Multi-residential	MT	131,677,716	2.040669	1.00	268,710,633	0.02277599	2,999,090	2,999,090	
New Multi-Residential	NT	3,847,250	1.000000	1.00	3,847,250	0.01163501	44,763	44,763	
Com. Occupied	CT	196,148,499	1.919511	1.00	376,509,201	0.02233353	4,380,688	6,793,478	
Com. Occupied - New Const	XT	37,707,439	1.919511	1.00	72,379,844	0.02233353	842,140		
Com. Excess Land	CU	725,993	1.343658	0.70	975,486	0.01563347	11,350		
Com. Vacant Land	CX	6,118,575	1.343658	0.70	8,221,270	0.01563347	95,655		
Com. Occupied - full - shared PIL	CH	616,000	1.919511	1.00	1,182,419	0.02233353	13,757		
Com Office Building Occupied	DT	2,775,560	1.919511	1.00	5,327,718	0.02233353	61,988		
Com Office - New Construction	YT	8,357,500	1.919511	1.00	16,042,313	0.02233353	186,652		
Com. Excess Land - New Const	XU	573,062	1.343658	0.70	769,999	0.01563347	8,959		
Com Shopping Centre Occupied	ST	53,334,125	1.919511	1.00	102,375,440	0.02233353	1,191,139		
Com Shopping Centre Excess Land	SU	73,505	1.343658	0.70	98,766	0.01563347	1,149		
Ind. Farmland 1	I1	83,500	0.250000	0.25	20,875	0.00290875	243		
Ind. Occupied	IT	8,575,750	2.231363	1.00	19,135,611	0.02596193	222,643		806,873
Ind. Excess Land	IU	103,775	1.450386	0.65	150,514	0.01687525	1,751		
Ind. Vacant Land	IX	2,929,525	1.450386	0.65	4,248,942	0.01687525	49,436		
Ind. Occupied - SHARED PIL	IH	546,750	2.231363	1.00	1,219,998	0.02596193	14,195		
Ind. Vacant land - shared PIL	IJ	25,125	1.450386	0.65	36,441	0.01687525	424		
Large Industrial Occupied	LT	15,159,876	2.919330	1.00	44,256,681	0.03396643	514,927		
Large Industrial Vacant units	LU	147,389	1.897565	0.65	279,680	0.02207818	3,254		
Pipelines	PT	5,556,500	2.959825	1.00	16,446,268	0.03443759	191,352	191,352	
Farmlands	FT	2,229,650	0.250000	1.00	557,413	0.00290875	6,485	6,485	
Managed Forest	TT	64,500	0.250000	1.00	16,125	0.00290875	188	188	
Total Taxable		1,942,207,284			2,407,638,605		27,885,539	27,885,539	
Payment in Lieu									
Residential/Farm - full	RF	0	0.000000	1.00	0	0.00000000	0	77	
Residential/Farm - General	RG	6,600	1.000000	1.00	6,600	0.01163501	77		
Multi-residential	MF	1,732,250	2.040669	1.00	3,534,949	0.02277599	39,454	39,454	
Com. Occupied - full	CF	3,085,300	1.919511	1.00	5,922,267	0.02233353	68,906	357,359	
Com. Occupied - municipal	CG	11,293,425	1.919511	0.70	21,677,854	0.02233353	252,222		
Com. Vac. Land - full	CY	941,675	1.343658	0.70	1,265,289	0.01563347	14,722		
Com. Vacant Land - municipal	CW		1.343658	0.70	0	0.01563347	0		
Com. Excess Land - full	CV		1.343658	0.70	0	0.02233353	0		
Com Parking Lot	GF	963,125	1.919511	1.00	1,848,729	0.02233353	21,510		
Total PIL		18,022,375			34,255,688		396,890	396,890	
Taxable Assessment		1,960,229,659			2,441,894,293		28,282,429	28,282,429	
Exempt Assessment		229,452,892							
Total Municipal Assessment		2,189,682,551							

Schedule B - Tax Rates Levied for School Board Purposes

	RTC RTQ	2017 PHASE-IN Assessment	Tax Ratios	Sub-Class Discounts	Weighted/ Discounted CVA	2017 EFFECTIVE Tax Rates	Taxation	Total Taxes by Major Classes	
Taxable									
Residential/Farm	RT	1,464,829,720	1.000000	1.00	1,464,829,720	0.00179000	2,622,045	2,622,045	
Multi-residential	MT	131,677,716	2.040669	1.00	268,710,633	0.00179000	235,703	235,703	
New Multi-Residential	NT	3,847,250	1.000000	1.00	3,847,250	0.00179000	6,887	6,887	
Com. Occupied	CT	196,148,499	1.919511	1.00	376,509,201	0.01390000	2,726,464	4,111,977	
Com. Occupied - New Const	XT	37,707,439	1.919511	1.00	72,379,844	0.01140000	429,865		
Com. Excess Land	CU	725,993	1.343658	0.70	975,486	0.00973000	7,064		
Com. Vacant Land	CX	6,118,575	1.343658	0.70	8,221,270	0.00973000	59,534		
Com. Occupied - full - shared PIL	CH	616,000	1.919511	1.00	1,182,419	0.01390000	8,562		
Com Office Building Occupied	DT	2,775,560	1.919511	1.00	5,327,718	0.01390000	38,580		
Com Office - New Construction	YT	8,357,500	1.919511	1.00	16,042,313	0.01140000	95,276		
Com. Excess Land - New Const	XU	573,062	1.343658	0.70	769,999	0.00798000	4,573		
Com Shopping Centre Occupied	ST	53,334,125	1.919511	1.00	102,375,440	0.01390000	741,344		
Com Shopping Centre Excess Land	SU	73,505	1.343658	0.70	98,766	0.00973000	715		
Ind. Farmland 1	I1	83,500	0.250000	0.25	20,875	0.00044750	37		
Ind. Occupied	IT	8,575,750	2.231363	1.00	19,135,611	0.01390000	119,203		366,527
Ind. Excess Land	IU	103,775	1.450386	0.65	150,514	0.00903500	938		
Ind. Vacant Land	IX	2,929,525	1.450386	0.65	4,248,942	0.00903500	26,468		
Ind. Occupied - SHARED PIL	IH	546,750	2.231363	1.00	1,219,998	0.01390000	7,600		
Ind. Vacant land - shared PIL	IJ	25,125	1.450386	0.65	36,441	0.00903500	227		
Large Industrial Occupied	LT	15,159,876	2.919330	1.00	44,256,681	0.01390000	210,722		
Large Industrial Vacant units	LU	147,389	1.897565	0.65	279,680	0.00903500	1,332		
Pipelines	PT	5,556,500	2.959825	1.00	16,446,268	0.01140000	63,344	63,344	
Farmlands	FT	2,229,650	0.250000	1.00	557,413	0.00044750	998	998	
Managed Forest	TT	64,500	0.250000	1.00	16,125	0.00044750	29	29	
Total Taxable		1,942,207,284			2,407,638,605		7,407,510	7,407,510	
Payment in Lieu									
Residential/Farm - full	RF	0	0.000000	1.00	0	0.00000000	0	0	
Residential/Farm - General	RG	6,600	1.000000	1.00	6,600	0.00000000	0		
Multi-residential	MF	1,732,250	2.040669	1.00	3,534,949	0.00179000	3,101	3,101	
Com. Occupied - full	CF	3,085,300	1.919511	1.00	5,922,267	0.01390000	42,886	65,436	
Com. Occupied - municipal	CG	11,293,425	1.919511	0.70	21,677,854	0.00000000	0		
Com. Vac. Land - full	CY	941,675	1.343658	0.70	1,265,289	0.00973000	9,162		
Com. Vacant Land - municipal	CW		1.343658	0.70	0	0.00000000	0		
Com. Excess Land - full	CV		1.343658	0.70	0	0.01001000	0		
Com Parking Lot	GF	963,125	1.919511	1.00	1,848,729	0.01390000	13,387		
Total PIL		18,022,375			34,255,688		68,536		68,536
Taxable Assessment		1,960,229,659			2,441,894,293		7,476,046	7,476,046	

Schedule C - Estimates of the Sums Required for Grey County

	RTC RTQ	2017 PHASE-IN Assessment	Tax Ratios	Sub-Class Discounts	Weighted/ Discounted CVA	2017 EFFECTIVE Tax Rates	Taxation	Total Taxes by Major Classes	
Taxable									
Residential/Farm	RT	1,464,829,720	1.000000	1.00	1,464,829,720	0.00320306	4,691,937	4,691,937	
Multi-residential	MT	131,677,716	2.040669	1.00	268,710,633	0.00645353	849,786	849,786	
New Multi-Residential	NT	3,847,250	1.000000	1.00	3,847,250	0.00320306	12,323	12,323	
Com. Occupied	CT	196,148,499	1.919511	1.00	376,509,201	0.00614831	1,205,982	1,870,211	
Com. Occupied - New Const	XT	37,707,439	1.919511	1.00	72,379,844	0.00614831	231,837		
Com. Excess Land	CU	725,993	1.343658	0.70	975,486	0.00430382	3,125		
Com. Vacant Land	CX	6,118,575	1.343658	0.70	8,221,270	0.00430382	26,333		
Com. Occupied - full - shared PIL	CH	616,000	1.919511	1.00	1,182,419	0.00614831	3,787		
Com Office Building Occupied	DT	2,775,560	1.919511	1.00	5,327,718	0.00614831	17,065		
Com Office - New Construction	YT	8,357,500	1.919511	1.00	16,042,313	0.00614831	51,385		
Com. Excess Land - New Const	XU	573,062	1.343658	0.70	769,999	0.00430382	2,466		
Com Shopping Centre Occupied	ST	53,334,125	1.919511	1.00	102,375,440	0.00614831	327,915		
Com Shopping Centre Excess Land	SU	73,505	1.343658	0.70	98,766	0.00430382	316		
Ind. Farmland 1	I1	83,500	0.250000	0.25	20,875	0.00080077	67		
Ind. Occupied	IT	8,575,750	2.231363	1.00	19,135,611	0.00714719	61,293		222,128
Ind. Excess Land	IU	103,775	1.450386	0.65	150,514	0.00464567	482		
Ind. Vacant Land	IX	2,929,525	1.450386	0.65	4,248,942	0.00464567	13,610		
Ind. Occupied - SHARED PIL	IH	546,750	2.231363	1.00	1,219,998	0.00714719	3,908		
Ind. Vacant land - shared PIL	IJ	25,125	1.450386	0.65	36,441	0.00464567	117		
Large Industrial Occupied	LT	15,159,876	2.919330	1.00	44,256,681	0.00935078	141,757		
Large Industrial Vacant units	LU	147,389	1.897565	0.65	279,680	0.00607801	896		
Pipelines	PT	5,556,500	2.959825	1.00	16,446,268	0.00948050	52,678		
Farmlands	FT	2,229,650	0.250000	1.00	557,413	0.00080077	1,785	1,785	
Managed Forest	TT	64,500	0.250000	1.00	16,125	0.00080077	52	52	
Total Taxable		1,942,207,284			2,407,638,605		7,700,901	7,700,901	
Payment in Lieu									
Residential/Farm - full	RF	0	0.000000	1.00	0	0.00320306	0	21	
Residential/Farm - General	RG	6,600	1.000000	1.00	6,600	0.00320306	21		
Multi-residential	MF	1,732,250	2.040669	1.00	3,534,949	0.00645353	11,179	11,179	
Com. Occupied - full	CF	3,085,300	1.919511	1.00	5,922,267	0.00614831	18,969	98,379	
Com. Occupied - municipal	CG	11,293,425	1.919511	0.70	21,677,854	0.00614831	69,435		
Com. Vac. Land - full	CY	941,675	1.343658	0.70	1,265,289	0.00430382	4,053		
Com. Vacant Land - municipal	CW		1.343658	0.70	0	0.00430382	0		
Com. Excess Land - full	CV		1.343658	0.70	0	0.00614831	0		
Com Parking Lot	GF	963,125	1.919511	1.00	1,848,729	0.00614831	5,922		
Total PIL		18,022,375			34,255,688		109,580		109,580
Taxable Assessment		1,960,229,659			2,441,894,293		7,810,480	7,810,480	