



Staff Report for Committee of the Whole Meeting

Date of Meeting: June 4, 2025

Report Number: SRCFS.25.023

Department: Corporate and Financial Services

Division: Financial Services

Subject: SRCFS.25.023 – 2025 Final Levy By-Law and Tax Rates

Purpose:

The purpose of this report is to adopt tax rates for the 2025 tax levies and to authorize the billing and collection of taxes, special assessments, and fees. This report also sets the tax installment due dates for both residential and non-residential properties.

Recommendation(s):

- a) That By-law No. 56-25 be enacted in the form of the draft By-law attached to SRCFS.25.023 to establish and adopt tax rates for 2025 on the assessment in each property class staff report SRCFS.25.023 be received;
- b) That the billing and collection of taxes, special assessments, defaulted fines and fees including the tax installment due dates for residential and non-residential properties be authorized.
- c) That the Treasurer be provided delegated authority to adjust billing and collection of taxes, special assessments, defaulted fines and fees including the tax installment due dates for residential and non-residential properties in the event of a postal service disruption.

Contact Person(s):

- Michael Lam, Manager, Revenue Billing, ext. 6493
- Lawrence Villanueva, Manager, Assessment & Property Accounts, ext. 5432
- Gigi Li, Director Financial Services and Treasurer, ext. 6435
- Sherry Adams, Commissioner of Corporate and Financial Services ext. 2521

Report Approval:

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner, and City Manager. Details of the reports approval are attached.

Page 2

Key Messages:

- Legislated requirement as per the Municipal Act, 2001, Section 329 requires municipalities to establish tax rates.
- Total levy for Richmond Hill is \$152,103,100 including \$12,925,200 levied for Capital Asset Sustainability.
- Due dates for Residential, Farmland, Managed Forest, Pipelines - August 1, 2025, and October 1, 2025.
- Due dates for Multi-residential, Commercial, and Industrial - October 1, 2025, and November 3, 2025.
- In the event of a labour disruption, the August 1, 2025 due date for Residential will be extended to September 2, 2025.
- York Region introduced policy updates in 2025 including adopting a property tax discount on New Multi-residential/Purpose-built Rental Subclass, removal of Vacant or Excess Commercial and Industrial Land Discount and changes to administration of the Property Tax Increase Deferral Program for Low-Income Seniors and Persons with Disabilities.
- Due to risk of a prolonged postal labour disruption. Staff are requesting delegated authority to make the necessary adjustments to tax due dates to mitigate financial risk to the City.

Background:

Richmond Hill must establish its tax rates through a By-law, on an annual basis, to raise the requisite levy set out in the approved budget. The total levy, for Richmond Hill purposes, to be raised by the tax rates is \$152,103,100. This includes a 3.19% budgetary increase from the previous year and a Capital Asset Sustainability of \$12,925,200.

Council is responsible for establishing the tax rates for Richmond Hill tax levies. These rates are set out in Schedule 1 of draft By-law No.56-25 attached as Appendix A. The calculations for Richmond Hill tax rates are based on Richmond Hill's levy requirements. Tax ratios and percent reductions for prescribed classes are established by the York Region and Ontario Regulations 387/98 and 392/98 as amended for Railway Rights of Way and Electrical Corridors. Tax rates have been established for all property tax classes and subclasses for which Richmond Hill currently has assessment.

A By-law is required to set the 2025 tax rates for Richmond Hill and to authorize the issuance of the 2025 final bills. It is also required to set the due dates for the tax installments and to specify how penalties and interest will be applied to late payments.

Page 3

Discussion:

Tax Due Dates

The administration of Municipal Act, 2001, Section 329 has made it necessary to separate tax billings for residential and non-residential properties. The residential bills will be issued in June in accordance with the usual practice and the bills for non-residential properties will be issued in August.

As of May 2025, staff are aware of a possible Canada Post labour disruption that may impact the City's ability to send out the 2025 Final Tax bills. As a result, staff are requesting delegated authority to make any necessary adjustments to due dates, collections and timing of pre-authorization payment draws in the event that the labour disruption is prolonged. The Municipal Act requires adequate notice to be provided to residents when collecting property taxes. As such, due date extensions and/or changing pre-authorized payment draw dates may be required to ensure residents have adequate notice to pay their property tax bills.

Therefore, if Canada Post does not experience a labour disruption, the following due dates will apply to the 2025 Final Tax Billing:

- Residential, Farmland, Managed Forest, Pipelines - August 1, 2025, and October 1, 2025.
- Multi-residential, Commercial, and Industrial - October 1, 2025, and November 3, 2025.

In the event of a labour disruption, staff will implement the following alternative due dates:

- Residential, Farmland, Managed Forest, Pipelines - September 2, 2025, and October 1, 2025.
- Multi-residential, Commercial, and Industrial - October 1, 2025, and November 3, 2025.

In addition, residential property owners on monthly pre-authorized payments may require an amendment to their monthly withdrawals in the event of the Canada Post labour disruption. Property owners with five (5) equalized draws starting August 1 to December 1 will be revised to four (4) equalized draws between September 1 to December 1. This will result in monthly payments to be higher, but the total property tax levy remains the same.

Region and School Board Taxes

York Region's 2025 Tax Rate By-law provides for upper tier tax rates representing a 3.30% tax levy increase. The tax rate change from the prior year reflects the budget requirement and offsets the impact of assessment growth and phase-in reassessment if applicable.

Page 4

Ontario Regulation 400/98 as amended under the Education Act prescribes the education tax rates representing a 0% tax levy increase. The tax rate remains unchanged from the prior year reflects the budget requirement and offsets the impact of assessment growth and phase-in reassessment if applicable.

For reference, a schedule including City, Region and School Board rates has been included in Appendix B.

Special Assessment and Fees

There are no new local improvement projects scheduled for billing in 2025.

The tax rate By-law No. 56-25 provides the necessary authorization to add the local improvement special assessment annual charges for all local improvement projects, including those approved in previous years, to the final property tax bills of the applicable properties.

Tax Rate By-law No. 56-25 provides the necessary authorization to add the Capital Asset Sustainability Fee to the final property tax bill of each property, as a percentage of the City Levy.

Tax Rate By-law No. 56-25 provides the necessary authorization to add the Business Improvement Area (BIA) levy, to the final property tax bill of the applicable properties.

Annual Levy on Public Hospital

The Municipal Act, 2001; Section 323 states that Richmond Hill must establish an annual amount through a By-law, on an annual basis, to be paid on or after July 1st by Mackenzie Health, as designated by the Minister of Health and Long-Term Care. This amount is not to exceed the prescribed amount for each provincially rated bed in the facility.

2025 York Region Tax Policy Update

New Multi-residential/Purpose-built Rental Subclass

The Region adopted the new multi-residential/purpose-built rental subclass with a discount of 0% in 2024. New in 2025: the Region increased the subclass discount to the legislated maximum of 35%. The discounted amount is recovered from other taxpayers, but the Region estimates that the financial impact is minimal. For example, a purpose-built rental with an assessed value of \$60 million will result in an increase of approximately \$0.32 for the average residential property owner (the increase includes both regional and lower-tier increase).

Vacant or Excess Commercial and Industrial Land Discount

In 2018, the Ontario Government allowed municipalities to eliminate the property tax discount on vacant or excess commercial and industrial lands. In 2020, the Ontario Government removed its vacant or excess commercial and industrial land discount on

Page 5

the school board portion of the total property taxes. To date, 90% of all Southern Ontario Municipalities have eliminated the discount. New in 2025: York Region is now removing the 30% vacant or excess land discount on commercial properties as well as the 35% discount on vacant or excess industrial lands. On average, a single-detached home will see a decrease of approximately \$15 on their annual property taxes as a result of this discount being eliminated. However, this reduction may be offset by the City's budgetary increase of 3.19%.

Property Tax Increase Deferral Program for Low-Income Seniors and Persons with Disabilities

Starting in the 2025 taxation year, the program's eligibility criteria are proposed to be updated such that low-income seniors would be defined in the bylaw as Guaranteed Income Supplement (GIS) recipients. No change is proposed in other program eligibility criteria, including the definition of low-income persons with disabilities. This update would improve alignment with the Municipal Act and neighbouring municipalities and would ensure support is targeted to those in financial need. Since the Canadian government adjusts the GIS income threshold annually to account for inflation, the program would accommodate these adjustments, and income thresholds would not require frequent annual updates to account for rising costs.

Financial Implications:

The tax rate By-law must be established to set a tax rate and installment dates for Richmond Hill for each assessment class for the purpose of raising the local municipal levy as approved in the 2025 Operating Budget. The financial impact of the Region's tax policy updates is reflected in the 2025 property tax rates. Mitigating measures have been applied to alleviate the impact of an extended postal labor disruption.

Relationship to Strategic Plan 2024-2027:

The report is required to meet the statutory obligations of Richmond Hill under the Municipal Act, 2001. The final billing of property tax accounts in a timely manner supports the financial requirements of the Region of York, the School Boards, and the City, and relates to Pillar 3, Strengthening our Foundations. Specifically, Priority 1 by prioritize ongoing operational sustainability, including advocating to other levels of government to create sustainable, accountable relationships and to work collectively toward a municipal revenue model to meet modern-day mandates and expectations of local government.

Attachments:

The following attached documents may include scanned images of appendixes, maps and photographs. All attachments have been reviewed and made accessible. If you require an alternative format please call the contact person listed in this document.

- Appendix A – 2025 Tax Rate By-law No. 56-25
- Appendix B – Summary of 2025 Tax Rates

Page 6

Report Approval Details

Document Title:	SRCFS.25.023 - 2025 Final Levy By-Law and Tax Rates.docx
Attachments:	- SRCFS.25.023 - Appendix B - Summary of 2025 Tax Rates.pdf - SRCFS.25.023 - Appendix A - Bylaw 56-25 Final Levy Bylaw and Tax Rates.docx
Final Approval Date:	May 21, 2025

This report and all of its attachments were approved and signed as outlined below:

Gigi Li - May 20, 2025 - 2:20 PM

Sherry Adams - May 20, 2025 - 2:52 PM

Darlene Joslin - May 21, 2025 - 10:04 AM