



**To:** COUNCIL  
**Meeting Date:** 5/9/2023  
**Subject:** 2023 Final Tax Levy Report  
**Submitted By:** Sheryl Ayres, Chief Financial Officer  
**Prepared By:** Wade Novak, Manager of Service Cambridge and Revenue  
**Report No.:** 23-094-CRS  
**File No.:** C11  
**Wards Affected:** All Wards

**RECOMMENDATION(S):**

THAT Report 23-094-CRS 2023 Final Tax Levy Report be received;  
AND THAT the final tax levy By-law be passed.

**EXECUTIVE SUMMARY:**

**Purpose**

Section 312 of the Municipal Act, 2001, provides that a local municipality shall, each year, pass a by-law for the purpose of raising the general local municipal levy.

**Key Findings**

The tax levy will be billed across the assessment base by rates established for each property class as outlined in Schedule A of the Tax Levy Bylaw.

The last Provincial reassessment was completed in 2016 for the 2017 taxation year with properties valued as of January 1, 2016. Therefore, the overall taxation burden between property tax classes from 2022 to 2023 has remained stable.

**Financial Implications**

On February 21, 2023, Council approved a property tax increase of 4.74%. This increase translates to an overall tax levy of \$108,409,400.

**STRATEGIC ALIGNMENT:**

- Strategic Action; or
- Core Service

**Objective(s):** Not Applicable

**Strategic Action:** Not Applicable

**Program:** Finance

**Core Service:** Financial Planning

**BACKGROUND:**

Section 312 of the Municipal Act, 2001, provides that a local Municipality shall, each year, pass a By-law (Appendix A) that sets out the proposed tax rates. It directs the Treasurer (Chief Financial Officer) to establish the City tax rates and include tax rates established by the Regional Municipality of Waterloo for Regional purposes, and the tax rates established by the Ministry of Finance for educational purposes in order to determine the complete billing rates for the 2023 final levy.

The Tax Levy By-law gives the Chief Financial Officer (CFO) the discretion to determine the appropriate installment dates and provides that the default penalty and interest on tax arrears be set at 1.25% each and every month in which default continues. The installment dates for the residential, farm and managed forest property tax classes are Monday, July 4, 2023 and Thursday, September 1, 2023. Bills are required to be mailed before the demand date of June 13, 2023.

The installment payment dates for the commercial, industrial and multi-residential property classes are yet to be determined. These business property tax classes are subject to complex capping calculations that determine the maximum tax levy. The timelines for the completion of these calculations is coordinated across the Region. The Region expects to bring forward the capping amounts in June 2023. Once complete, the due dates will be determined by the CFO and normally align with the second residential installment on September 1, 2023.

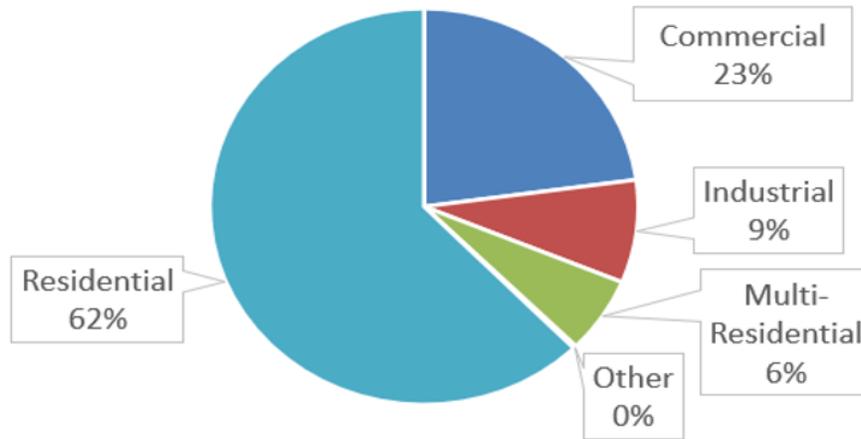
**ANALYSIS:**

The following charts provide the proportion of tax revenue the City of Cambridge derives from five broad categories of property tax classes.

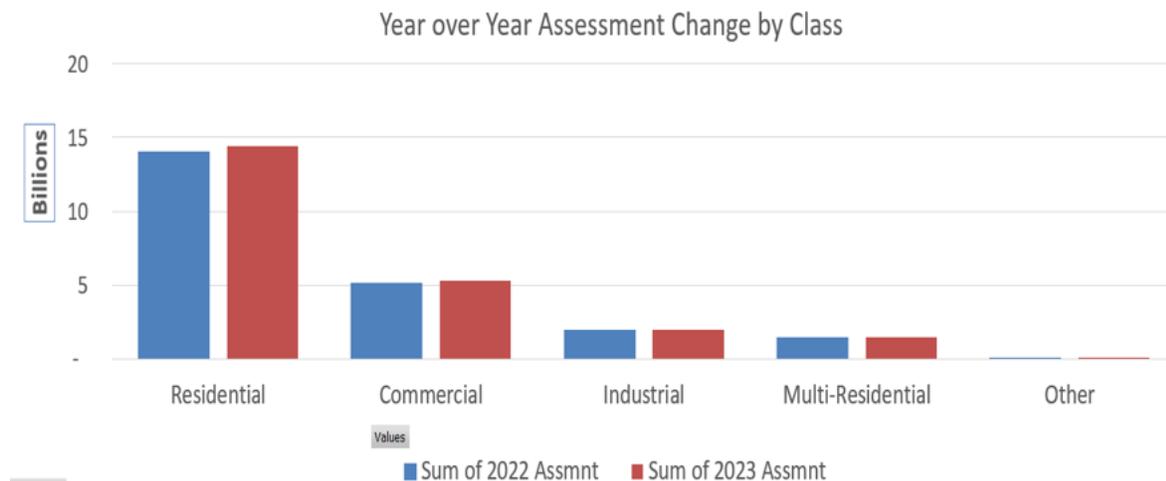
1. Residential
2. Multi-Residential
3. Commercial
4. Industrial
5. Other (Farm, Pipeline, Managed Forest)

The overall taxation burden between classes from 2022 to 2023 has remained stable.

## 2023 Tax Levy By Tax Class



The City of Cambridge experienced a 2.66% overall weighted assessment increase for billing in 2023. This annual increase is based entirely on actual in year growth as a result of building activity and does not include increases based on assessment values due to the Provincial decision to continue the delay of the 4 year assessment cycle and extend the 2016 current value assessment (CVA) into 2024 as a result of Covid-19. Not all properties within tax classes or between tax classes increased at the overall average. In general terms, the result of unequal assessment change can be a shift of tax burden between classes or properties. With some properties being apportioned more/less of the overall general levy.



As outlined in the graph above, the City of Cambridge experience has been relatively equal growth across our broad categories of property classes. The category for the Residential class increased by 2.75%, Multi-residential at 2.05%, Commercial at 2.98%,

Industrial at 1.57% whereas the Other category reduced by (0.32%). The result is a minor shift towards the overall commercial and residential tax groups.

Taxpayers are encouraged to review the schedule (schedule 2 or 3) provided on their final bill to see the specific impacts of assessment growth on their property.

**EXISTING POLICY / BY-LAW(S):**

The interim tax levy bylaw 22-075 will be repealed upon approval of the final tax levy bylaw.

**FINANCIAL IMPACT:**

The City’s tax levy was approved through the 2023 Operating Budget at \$108,409,400 and provides funding for the daily costs of running city programs and services. The levy will be billed as required across the assessment base.

**PUBLIC VALUE:**

Does Not Apply

**ADVISORY COMMITTEE INPUT:**

Not Applicable

**PUBLIC INPUT:**

Public consultation is completed as part of the budget process.

**INTERNAL / EXTERNAL CONSULTATION:**

Not applicable

**CONCLUSION:**

In compliance with section 312 of the Municipal Act, 2001, the tax levy bylaw has been prepared to levy the required funds to provide municipal services and establish tax rates by property class.

**REPORT IMPACTS:**

Agreement: **No**

By-law: **Yes**

Budget Amendment: **No**

Policy: **No**

**APPROVALS:**

**This report has gone through the appropriate workflow and has been reviewed and or approved by the following as required:**

**Director**

**Deputy City Manager**

**Chief Financial Officer**

**City Solicitor**

**City Manager**

**ATTACHMENTS:**

1. 23-094-CRS-2023 Final Tax Levy BY-LAW\_Attachment A.