

To:	Warden Matrosovs and Members of Grey County Council
Committee Date:	March 27, 2025
Subject / Report No:	FR-CW-05-25
Title:	2025 Tax Policy
Prepared by:	Mary Lou Spicer, Director of Finance/County Treasurer
Reviewed by:	Kim Wingrove, CAO
Lower Tier(s) Affected:	All Local Municipalities

Recommendation

1. That report FR-CW-05-25 regarding 2025 property tax policy be received; and
2. That County Council reduce the tax ratio for the multi-residential property tax class from 1.220600 to 1.110300, which is one-quarter of the movement required to equalize the treatment of all residential classes; and
3. That County Council adopt all other 2025 tax ratios and subclass reductions for 2025 taxation; and
4. That the necessary By-laws be drafted for Council's consideration and approval.

Executive Summary

This report provides Council with background and advice in support of making decisions for 2025 tax policy matters.

Under the rules and regulations created by the province, Grey County as the upper tier municipality is responsible for the development of property tax policies. These are set annually after collaboration with treasury staff from member municipalities. The tax policies serve to apportion the tax burden across the different tax classes and are required to be ratified through a by-law each year.

The local and county portion of a property owner's tax bill is based on the budgetary needs of the lower and upper tier municipality. For residential property owners, the residential tax rate is determined by dividing the total tax requirement by the total weighted assessment. MPAC allocates properties into one of the 10 mandatory property tax classes and provides a current value assessment figure for each property. For 2025, properties continue to be assessed based on values as of January 1, 2016.

Member municipalities are responsible for the administration of tax billing, tax adjustments, tax collection, issuing rebates and responding to taxpayer inquiries.

After consultation with member municipality treasurers and their staff as well as the County's tax consultant, Municipal Tax Equity (MTE), staff recommend the use of the same tax ratios, subclass discounts and class structure utilized in 2024 for 2025 taxation, with the exception of the multi-residential class ratio and the new Aggregate Extraction property class.

It is recommended that the multi-residential class ratio be reduced from 1.220600 to 1.110300. This reduction represents one-quarter of the difference between the current ratio and a ratio of 1.00, which will mean equalization with the residential and new multi-residential classes when the final adjustment is made in 2026. This adjustment has no impact on the County's 2025 approved budget; it reflects how the County and member municipalities tax levies will be distributed among the various property tax classes.

The Ministry of Finance filed an amendment to create an Aggregate Extraction property class effective for 2025 and subsequent tax years. This new property class captures most gravel pits and quarries and results in tax shifts for 2025 with the assessment being moved from the industrial class to this new stand-alone class. The change in class results in an aggregate extraction class ratio that is 18.63% less than the industrial class ratio.

Background and Discussion

This report provides County Council with background and advice on tax policy and influences how the 2025 property tax levy is shared amongst different classes of property and also among the County's 9 member municipalities.

These decisions, which must be ratified and enacted through a by-law, will impact the final balance of both local and County tax levies; County tax policy does not affect tax rates for school purposes as these are set by the province.

MTE's presentation earlier in the March 27, 2025 committee meeting provides the background for this report. Tax policy items were discussed on February 6 with local municipal treasurers; it was confirmed in this meeting that the group was in support of the one-quarter movement to reduce the multi-residential ratio. If supported, this is the third reduction with a final reduction to be made in 2026. Owen Sound is responsible for their own tax policy and their Director of Corporate Services has recommended the same one-quarter reduction for the multi-residential class ratio.

Summary of Tax Policy Recommendations and Levy Outcomes

This table shows the outcome of the recommendation to reduce the multi-residential ratio to 1.110300 and adopt all other 2025 tax ratios and subclass reductions for 2025 taxation. The Owen Sound requisition is shown separately as the City redistributes the levy based on its own

tax policy.

Tax Class/Subclass	Ratio/Factor	2025 County Tax Rate	2025 County Levy
Residential	1.000000	0.00417120	\$58,052,942
	*FAD 1	0.25	\$59
Farm	0.218000	0.00090932	\$2,789,822
Managed Forest	0.250000	0.00104280	\$208,077
New Multi-Residential	1.000000	0.00417120	\$49,313
Multi-Residential	1.110300	0.00509137	\$520,993
Commercial	1.296900	0.00540963	\$4,073,663
Resort Condominium	1.000000	0.00417120	\$1,150,943
Industrial	1.831000	0.00763747	\$1,359,202
Aggregate Extraction	1.489896	0.00621465	\$80,372
Landfill	1.000000	0.00417120	\$7,056
Pipeline	0.906848	0.00378264	\$210,191
Subtotal (County Rate Levy)			\$68,502,633
Owen Sound Requisition			\$9,860,248
Total County Levy			\$78,362,881

Note: This levy calculation is based on a target levy of \$78,362,800, however, class level roll-ups such as this will result in rounding differences of up to \$100 overall.

**Farmland Awaiting Development Subclass*

Financial and Resource Implications

The information and recommendations contained in this report have no impact on the County's 2025 approved budget. Tax policy reflects how the County and member municipalities tax levies will be distributed among the various property tax classes. Tax policy is governed by the Assessment Act, R.S.O. 1990, c.A. 31, Municipal Act, 2001 and the various supporting regulations.

Relevant Consultation

- Internal: Deputy Treasurer
- External: Local Municipal Treasurers and staff, as well as the County's tax consultant Municipal Tax Equity (MTE)

Appendices and Attachments

None