

Municipal Act, 2001

Establishment of tax ratios

Definitions

308. (1) In this section,

“commercial classes” means the commercial property class prescribed under the *Assessment Act* and optional property classes that contain property that, if the council of the municipality did not opt to have the optional property class apply, would be in the commercial property class; (“catégories commerciales”)

“industrial classes” means the industrial property class prescribed under the *Assessment Act* and optional property classes that contain property that, if the council of the municipality did not opt to have the optional property class apply, would be in the industrial property class; (“catégories industrielles”)

“optional property class” means a property class that the council of a municipality may opt to have apply within the municipality under regulations made under the *Assessment Act*. (“catégorie de biens facultative”) 2001, c. 25, s. 308 (1).

Tax ratios

(2) A set of tax ratios for every municipality shall be established in accordance with this section. 2001, c. 25, s. 308 (2).

What tax ratios are

(3) The tax ratios are the ratios that the tax rate for each property class must be to the tax rate for the residential property class where the residential property class tax ratio is 1. 2002, c. 22, s. 152 (1).

Single-tier municipalities

(4) A single-tier municipality shall pass a by-law in each year to establish the tax ratios for that year for the municipality. 2009, c. 33, Sched. 21, s. 6 (12).

Tiered municipalities

(5) An upper-tier municipality shall pass a by-law in each year to establish the tax ratios for that year for the upper-tier municipality and its lower-tier municipalities. 2009, c. 33, Sched. 21, s. 6 (12).

Limitation

(6) A municipality shall not pass a by-law under subsection (4) or (5) until transition ratios are established for the property classes that apply within the municipality, other than the residential property class, the farm property class and the managed forests property class prescribed under the *Assessment Act*. 2001, c. 25, s. 308 (6); 2002, c. 22, s. 152 (2).

Tiered municipalities, uniform ratios

(7) A by-law under subsection (5) must establish, for each property class, a single tax ratio for the upper-tier municipality and its lower-tier municipalities. 2001, c. 25, s. 308 (7).

Ratios within prescribed ranges

(8) The tax ratio for a property class must be within the allowable range prescribed for the property class. 2001, c. 25, s. 308 (8).

Exception

(9) Despite subsection (8), the tax ratio for a property class for a municipality may be outside the allowable range in the following circumstances:

1. For the first year for which the property class applies with respect to a municipality, the tax ratio may be,
 - i. above the range if it is less than or equal to the prescribed transition ratio for the property class for the municipality, or
 - ii. below the range if it is greater than or equal to the prescribed transition ratio for the property class for the municipality.
2. For a subsequent year the tax ratio may be,
 - i. above the range if it is less than or equal to the tax ratio for the property class for the previous year, or
 - ii. below the range if it is greater than or equal to the tax ratio for the property class for the previous year. 2001, c. 25, s. 308 (9).

Exception, subsequent reassessment

(10) Despite subsections (8) and (9), the Minister of Finance may prescribe a new transition ratio, including the average transition ratio, for a taxation year or any previous taxation year for a property class for a municipality and,

- (a) for the first year in respect of which the transition ratio is prescribed, the tax ratio may be,
 - (i) above the allowable range if it is less than or equal to the prescribed transition ratio for the property class for the municipality, or
 - (ii) below the allowable range if it is greater than or equal to the prescribed transition ratio for the property class for the municipality; and
- (b) for a subsequent year, the tax ratio may be,
 - (i) above the allowable range if it is less than or equal to the tax ratio for the property class for the previous year, or
 - (ii) below the allowable range if it is greater than or equal to the tax ratio for the property class for the previous year. 2001, c. 25, s. 308 (10).

Average transition ratios

[\(11\)](#) For each municipality, the council of which is required to pass a by-law under this section to establish tax ratios, there shall be an average transition ratio for the commercial classes and an average transition ratio for the industrial classes, determined in accordance with the following:

1. For the first year that an optional property class applies or, subject to subsection (17) or (18), ceases to apply in the municipality, the average transition ratio shall be the prescribed average transition ratio.
2. For a subsequent year, the average transition ratio shall be the weighted average, for the previous year, of the tax ratios for the property classes to which the average transition ratio relates. 2001, c. 25, s. 308 (11).

If transition ratio is in allowable range for property class

[\(11.1\)](#) If the Minister of Finance prescribes a transition ratio for the purposes of this section that is within the allowable range prescribed for a property class, the tax ratio for the property class must be within the allowable range prescribed for the property class. 2006, c. 33, Sched. V, s. 1.

Special rule, commercial classes

[\(12\)](#) The tax ratio for a property class that is one of the commercial classes may be greater than what would be allowed under subsection (8), (9) or (10) if the following are satisfied:

1. The tax ratio is less than or equal to the average transition ratio for the commercial classes for the year.
2. The weighted average, for the year, of the tax ratios for the commercial classes does not exceed the average transition ratio for the commercial classes for the year. 2001, c. 25, s. 308 (12).

Special rule, industrial classes

[\(13\)](#) The tax ratio for a property class that is one of the industrial classes may be greater than what would be allowed under subsection (8), (9) or (10) if the following are satisfied:

1. The tax ratio is less than or equal to the average transition ratio for the industrial classes for the year.
2. The weighted average, for the year, of the tax ratios for the industrial classes does not exceed the average transition ratio for the industrial classes for the year. 2001, c. 25, s. 308 (13).

Weighted average

[\(14\)](#) For the purposes of subsections (11) to (13), the weighted average, for a year, of the tax ratios for property classes shall be determined as follows:

1. For each property class, multiply the tax ratio for the property class for the year by the total assessment of the properties in the property class for the year.
2. Add the amounts determined under paragraph 1 for each property class together.
3. Add the total assessments of the properties in the property classes for the year, used in the calculation under paragraph 1, together.
4. The weighted average is the amount determined under paragraph 2 divided by the amount determined under paragraph 3. 2001, c. 25, s. 308 (14).

Optional classes, regulations

[\(15\)](#) The Minister of Finance may make regulations prescribing transition ratios for a year,

- (a) for the commercial classes if a municipality opts to have a property class that is one of the commercial classes apply for the year and the property class did not apply within the municipality for the previous year; and
- (b) for the industrial classes if a municipality opts to have a property class that is one of the industrial classes apply for the year and the property class did not apply within the municipality for the previous year. 2001, c. 25, s. 308 (15).

Effect of new transition ratios

[\(16\)](#) If new transition ratios are prescribed under subsection (15), paragraph 1 of subsection (9) applies, with necessary modifications, for the year with respect to which they apply. 2001, c. 25, s. 308 (16).

Opting out, commercial classes

[\(17\)](#) If all optional property classes that contain property that would otherwise be in the commercial property class cease to apply for a year in a municipality, the transition ratio for the commercial property class for the year shall be equal to the average transition ratio for the commercial classes for the previous year under subsection (11), and subsection (9) or (10) applies, with necessary modifications, for the year. 2001, c. 25, s. 308 (17).

Opting out, industrial classes

[\(18\)](#) If all optional property classes that contain property that would otherwise be in the industrial property class cease to apply for a year in a municipality, the transition ratio for the industrial property class for the year shall be equal to the average transition ratio for the industrial classes for the previous year under subsection (11), and subsection (9) or (10) applies, with necessary modifications, for the year. 2001, c. 25, s. 308 (18).

Regulations, Minister of Finance

[\(19\)](#) The Minister of Finance may make regulations,

- (a) Repealed: 2009, c. 33, Sched. 21, s. 6 (13).
- (b) governing the determination of the tax ratios by municipalities for a taxation year;

- (c) prescribing, for the purposes of subsection (8), the allowable ranges for the tax ratios for the property classes;
- (d) prescribing transition ratios for the property classes for the purposes of subsections (9) and (10) or prescribing a method for determining such ratios;
- (e) prescribing average transition ratios for the purposes of subsection (11);
- (f) designating a group of municipalities specified in the regulations, each one of which is a municipality whose council is required under subsection (4) or (5) to pass a by-law establishing tax ratios for a year, and requiring each such municipality, despite subsections (8), (9) and (10), to establish, as the tax ratio for the year for each property class specified in the regulations, the ratio specified in the regulations for the property class. 2001, c. 25, s. 308 (19); 2009, c. 33, Sched. 21, s. 6 (13).

Regulations can be retroactive

[\(20\)](#) A regulation under clauses (19) (c) to (f) may be retroactive to a date not earlier than January 1 of the year in which the regulation was made. 2001, c. 25, s. 308 (20).

Regulation upon request of municipality

[\(21\)](#) A regulation under clause (19) (f) may not be made unless, before the regulation is made, the council of each municipality to be specified in the regulation passes a resolution requesting that the regulation be made, specifying the property classes to which the regulation is to apply and specifying what the tax ratio for each such class shall be. 2001, c. 25, s. 308 (21).

Regulations

[\(22\)](#) The Minister may make regulations,

- (a) requiring municipalities to provide the Minister with the information prescribed at the times and in the manner prescribed;
- (b) requiring municipalities that establish tax ratios to give notice of the tax ratios to such persons and in such manner as prescribed. 2001, c. 25, s. 308 (22).

Restrictions, tax ratios for certain property classes

[308.1 \(1\)](#) This section applies despite subsections 308 (4), (5), (8), (9) and (10). 2002, c. 22, s. 153.

Managed forests property class

[\(2\)](#) The tax ratio for the managed forests property class prescribed under the *Assessment Act* is 0.25. 2002, c. 22, s. 153.

Farm property class

[\(3\)](#) The tax ratio for the farm property class prescribed under the *Assessment Act* is 0.25 or such lower tax ratio as the upper-tier municipality or single-tier municipality may establish. 2002, c. 22, s. 153.

Same, single-tier municipality

[\(4\)](#) A single-tier municipality that intends to apply a tax ratio of less than 0.25 to the farm property class for a tax year shall pass a by-law in the year to establish the tax ratio for the farm property class for that year for the municipality. 2002, c. 22, s. 153; 2009, c. 33, Sched. 21, s. 6 (14).

Same, upper-tier municipality

[\(5\)](#) An upper-tier municipality that intends to apply a tax ratio of less than 0.25 to the farm property class for a tax year shall pass a by-law in the year to establish the tax ratio for that year for the farm property class for the upper-tier municipality and its lower-tier municipalities. 2002, c. 22, s. 153; 2009, c. 33, Sched. 21, s. 6 (15).

[\(6\)](#) Repealed: 2009, c. 33, Sched. 21, s. 6 (16).