



2024-2027

Multi-Year Budget

City of London

2024 to 2027 Business Plan

Service: Taxation

\$0.01

Cost per day for the average rate payer (2024 to 2027)

0.08%

Of the 2024 to 2027 City of London Net Property Tax Supported Budget

Who we are:

- The Property Tax Office is responsible for the administration, billing, and collection of the largest revenue source for the City of London. Following legislated rules and deadlines, as prescribed by the Assessment Act, the Municipal Act, 2001, and other relevant legislation, the Tax Office, based on the approved budget, establishes tax policy to set ratios, processes tax bills to collect the required tax levy, and processes assessment appeals and supplemental billings. The tax office provides multiple services to internal and external customers by providing tax account information, assessment review, and project analysis specific to property tax queries.

What we do:

- Taxation is responsible for municipal property tax billings, collections and payment processing both for the City and on behalf of the Province for education purposes. It maintains accurate accounting records and system information relating to property taxation, administers tax rebate programs, assessment reviews, provides customer service, and public information as it relates to municipal property taxation. Taxation is also responsible for analysis and the development of property tax policies and budgets for revenues and expenditures related to municipal property taxation for Council approval. Taxation also provides estimates on net assessment growth and aids other Service Areas by providing property tax and assessment analysis.
- Taxation contributes towards the efficiency and effectiveness of the City's revenue generation, recovering the costs of the Tax Office from user fees to the extent possible.

Why we do it:

- **Mandatory** – Section 340 of the Municipal Act, 2001 prescribes that a local municipality shall prepare a tax roll for each year based on the returned assessment roll, in a prescribed form, including the certification of the tax roll and the collection of taxes. All single tier municipalities are required to develop and approve tax policy on an annual basis, Section 308 of the Municipal Act, 2001. All municipalities are required to administer tax rebate programs as required by the Provincial government.

The following table provides an overview of the budget for this service:

Budget Summary (\$000's)	2024	2025	2026	2027	2024 to 2027 TOTAL
Gross Operating Expenditures	\$2,617	\$2,688	\$2,762	\$2,781	\$10,848
Other Revenues	-\$2,060	-\$2,080	-\$2,085	-\$2,090	-\$8,315
Net Tax Levy Supported Operating Budget	\$557	\$608	\$677	\$691	\$2,533
Total Capital Expenditures	\$0	\$0	\$0	\$0	\$0
Full-Time Equivalents (FTE's)	23.3	23.7	23.7	23.7	N/A

Reflects Draft 2024 to 2027 Multi-Year Budget – December 12, 2023.

Linkage to the 2023 to 2027 Strategic Plan

This service supports the following Strategic Areas of Focus in the 2023 to 2027 Strategic Plan:



**Reconciliation, Equity,
Accessibility, and
Inclusion**



**Economic Growth, Culture,
and Prosperity**



**Housing and
Homelessness**



**Mobility and
Transportation**



Wellbeing and Safety



**Climate Action and
Sustainable Growth**



**Safe London for Women,
Girls, and Gender-Diverse
and Trans People**



Well-Run City

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Profile for this service:



Environmental:

- Use of recycled paper, where feasible, helps to reduce the environmental impact of issuing paper bills and notices. Currently, 24% of property tax accounts are enrolled in the preauthorized payment program. Encouraging increased use of preauthorized payment programs may reduce Energy use and Greenhouse Gas (GHG) emissions. This may reduce paper and printing usage and reduce the GHG emissions used to deliver property tax bills by regular mail. Additionally, the facility footprint may be reduced by increasing the digitization of files.

Socio-economic Equity:

- The property tax system is designed to be equitable and to impact all property owners as equally as possible. Equity is practiced through assessment values, billing, and collection practices.

Governance:

- Legislated deadlines for billing, processing rebates, and processing assessment appeal decisions are adhered to.
- Annual requirement to establish tax policy is met.
- Coordination with Building Division to ensure timely information is provided to Municipal Property Assessment Corporation (MPAC) which allows for assessment growth to be recognized as soon as possible.
- Analysis and, where appropriate, implementation of new legislation pertaining to property tax, assessment, or other programs requiring integration with the property tax system.

The following section provides an overview of the key activities the service plans to undertake from 2024 to 2027 to implement the Corporation's 2023 to 2027 Strategic Plan, as well as an overview of the risks and challenges the service is anticipated to experience during this period:

Service Highlights 2024 to 2027

- Most of the activities of this service are required by Provincial legislation. The objective of the Taxation Office is to continue to provide the following services in an efficient, effective manner and to recover the costs of the service from user fees to the extent possible. The main activities completed to provide this service are:
 - Tax billing of over \$864 million annually, collection and payment processing for approximately 165,000 property tax accounts and growing;
 - Maintenance of accounting records, property taxation system and budget estimates related to municipal property taxation;
 - Administration of property tax rebate programs and assessment review with over 1,000 charitable rebate and appeals processed annually;
 - Analyses and development of municipal property taxation policies for Council approval in accordance with applicable legislation;
 - Providing information to the public about property taxation and related assessment issues; responding to more than 48,000 phone calls and more than 30,000 emails annually.

Risks and Challenges Anticipated in 2024 to 2027

- In 2020, the Province froze the Assessment Roll at January 1, 2016 values. The result is that the current value assessment, based on 2016 property values, is no longer current. When reassessment resumes the challenge will be adjusting tax policy to mitigate the anticipated property tax class shifts. The potential effects of this reassessment are unknown at this time.
- Potential changes to taxation legislation in the future by the Province and the Province-wide assessment could affect tax policy options to be considered by Council.
- Utilizing technology to provide information to the public about property taxation and related assessment issues.
- Proposed implementation of a new property tax software has the potential to improve customer service levels with the associated risk of implementation delays and integration/training curves for staff; the risk will be mitigated by maintaining the existing system until the integration and transition are complete.

- Potential implementation of a vacant home tax would present risks as a new program would need to be developed and additional staff would need to be hired and trained. Additionally, costs of such a program may exceed benefits provided to the citizens of London.

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