

If you require this information in an alternate format, please contact the Accessibility Coordinator at [accessibility@northumberland.ca](mailto:accessibility@northumberland.ca) or 1-800-354-7050 ext. 2327



## Report 2025-039

**Report Title:** New Optional Multi-Residential Subclass

**Committee Name:** Finance and Audit

**Committee Meeting Date:** March 4, 2025

**Prepared by:** Matthew Nitsch  
Director of Finance/Treasurer  
Finance

**Approved by:** Jennifer Moore, CAO

**Council Meeting Date:** March 19, 2025

**Strategic Plan Priorities:** ☒ Innovate for Service Excellence  
☐ Ignite Economic Opportunity  
☐ Foster a Thriving Community  
☐ Propel Sustainable Growth  
☐ Champion a Vibrant Future

---

### Information Report

**“That** the Finance and Audit Committee receive Report 2025-039 ‘New Optional Multi-Residential Subclass’ and presentation from Peter Frise of Municipal Tax Equity (MTE) Consultants Inc. for information; and

**Further That** the Committee recommend that County Council receive the report and PowerPoint presentation for information.”

---

### Purpose

The purpose of this report is to provide information to Northumberland County Council on the new optional Multi-Residential subclass.

### Background

The new Multi-Residential subclass introduced in 2024 is functionally similar to the New Multi-Residential class. It applies to any building or complex that would otherwise be classified as multi-residential, provided the building permit for its construction or conversion was issued after the municipality enacts a by-law to implement the subclass.

This new subclass is distinct from the existing Multi-Residential class and the New Multi-Residential class. Adoption of the new subclass is optional and can be done at any time. It does not have an impact on the 2025 tax ratios and is implemented with a separate by-law.

## **Consultations**

County staff consult with Peter Frise from Municipal Tax Equity (MTE) Consultants Inc. on tax policy issues. Mr. Frise has a detailed presentation on this subject that goes along with this report.

The Inter-Municipal Treasurers Working Group has discussed the new optional Multi-Residential subclass and does not currently recommend that the County adopt it. The group believes that the potential benefits do not outweigh the costs/negative impacts of taking on the class. This move would also go against our current efforts to reduce the tax inequity between the existing Multi-Residential and New Multi-Residential classes.

Staff can monitor what other municipalities decide to do and can bring a subsequent report if other municipalities in Ontario start to adopt this new subclass.

## **Legislative Authority / Risk Considerations**

Assessment Act, R.S.O. 1990, c. A.31.

Municipal Act, 2001 Sections 313, 364 and Ontario Regulation 325/01, amended to Ontario Regulation 210/05.

## **Discussion / Options**

If Council adopted the new multi-residential subclass, it would have a tax ratio equal to the New Multi-Residential tax ratio. Municipalities have the ability to set this ratio between 1.0 and 1.1. Northumberland County's current New Multi-Residential ratio is set at 1.0.

County Council would also need to select a discount for the new subclass up to 35%. This discount would lower the tax rate for any property that fell within the class after adoption. It would be possible to have 3 similar buildings in Northumberland all taxed differently – based solely on the date of the building permit for each building. This could create perceived inequities among property owners.

The argument for adopting the new subclass is to provide incentive for the construction of multi-residential housing. The effectiveness of this incentive is uncertain. There are other factors that play a bigger role in these decisions such as land availability, infrastructure, financing, and market demand.

## **Financial Impact**

There would be no immediate financial impact (or measurable tax shifts in the future) because this is a new subclass. The introduction of the subclass would happen gradually and properties would start out with the discounted tax rate. This is different than changing the ratio of an existing class (or subclass) that would force a shift in levy onto the other tax classes.

## **Member Municipality Impacts**

Northumberland County sets tax policy for the member municipalities. If the new subclass was adopted by Northumberland the member municipalities would be required to adopt it also.

## **Conclusion / Outcomes**

It is recommended that County Council receive this report for information. If County Council wanted to adopt the new Multi-Residential subclass at any point in the future, they could initiate the process by notifying the treasurer and directing them to start the process for adoption.

## **Attachments**

- 1) Report 2025-039 ATTACH 1 'New Multi-Residential Property Tax Subclass – Presentation'