IPTI Xtracts

Property Tax and Assessment News from Around the World

CANADA – November 2020

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What a wealth tax could mean for financial planning

The introduction of a wealth tax would make advisors and their clients take a closer look at net wealth – especially if it indiscriminately affects people with wealth of any kind.

Canada's federal government is considering a wealth tax to reduce inequality and to pay for the relief measures that were implemented in response to the COVID-19 pandemic. Those measures have led to a record deficit and a ballooning national debt. If the new tax were to come to pass, it would present significant planning challenges for financial professionals.

The concept of a wealth tax has been gaining traction. The federal government announced in the Sept. 24 Speech from the Throne that it would seek ways to place a tax on extreme wealth inequality. In July, the Parliamentary Budget Office issued a report that examined the impact of a 1-per-cent tax on family net wealth above $20-million. That would be a $200,000 tax hit on top of regular income tax. But the proposal doesn't define family, nor does it distinguish between liquid investment assets, such as securities, from those that are more illiquid, like homes.

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"It would be a tax on [any assets, ranging from housing to investments]. It would affect families of undefined numbers of members. It would have to be paid each year. And it would cut the value of taxed properties," says Brock Cordes, a sessional instructor at the University of Manitoba's Asper School of Business. "What's more, legislative pressure could tend to cascade the tax downward to affect people with less wealth."

Tax creep, the process of making more assets and transactions taxable along with rising tax rates, is part of Canada's fiscal history. For example, Canada introduced an income tax in September, 1917, of 4 per cent on annual incomes. The tax has increased substantially since, of course.

Adding a wealth tax would also cause confusion between personal income, which is currently taxed, with personal wealth, which is not. Someone can have a great deal of income, spend it, and not have much wealth while someone else can be wealthy, with property such as farmland or gold coins or even zero dividend stocks that produce no income, Mr. Cordes adds. For example, farmers often have land that has substantial value but produces little income.

"A farm in southern Ontario could be 640 acres, priced and valued at $35,000 an acre. That's $22.4-million, but the farm might produce a [annual] crop worth 1 per cent, or $224,000, of the land's value," says Don Forbes, advisor at Forbes Wealth Management Ltd. in Carberry, Man., who specializes in serving family farms. "So, a 1-per-cent tax on capital would take all that farm's income. It would force farmers to find ways to avoid the tax or just go out of business."

The introduction of a wealth tax would make advisors and their clients take a closer look at net wealth – especially if it indiscriminately affects people with wealth of any kind. Such a tax would require specific attention as it pertains to housing, which is most Canadians' main source of wealth, says Fred O'Riordan, national leader for tax policy at EY Canada in Ottawa. In Canada, gains on the sale of a principal residence is not subject to taxes, regardless of the amount of the sale. The introduction of a wealth tax could see that change.

"If Canada taxed just the value of property without allowing for the costs [such as mortgage interest], it would be unfair. If the costs of generating wealth are included, it becomes very complex," Mr. O'Riordan says.

Part of that added complexity would be geographical bias, says Richard Girouard, senior tax manager at accounting firm BDO Canada LLP in Winnipeg.

"A house in Toronto can [rise in value by] hundreds of thousands of dollars in a short time, depending on the neighbourhood and, of course, the house itself. That kind of gain is unlikely to be seen in small towns in northern Ontario or rural Saskatchewan. If a wealth tax included [someone's] house, there would have to be valuations, record-keeping, and a (baseline) valuation to start the whole process. It would be complicated and costly to collect," he says.

A tax on the value of homes would shift wealth to government and leave less for owners and sellers. If buyers were seeking to trade up to larger homes, they would have less money to accommodate their families. Those selling to have money for retirement would have less.

"We have clients downsizing their homes to get cash for a retirement plan," says Owen Winkelmolen, founder and chief executive at advice-only financial planning firm PlanEasy Inc. in London, Ont. "A tax on total wealth could impair their retirements, force even more downsizing, or even take away their financial independence."

Taxes on wealth in other countries have not turned out well. For example, from 1982 to 1986, and then from 1988 to 2017, France imposed an annual tax of as much as 1.8 per cent on fortunes of more than 13-million

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euros. In 2012, former president of France, François Hollande, added a 75-per-cent supertax on annual incomes above 1-million euros.

“I have a wealthy client who wanted to leave Canada to return to France,” says Caroline Nalbantoglu, president of CNAL Financial Planning Inc., a fee-only financial planning firm in Montreal. “France’s wealth tax persuaded him to move to another country with no wealth taxes.”

Most famously, France’s wealth tax led actor Gerard Depardieu to flee the country and cancel his citizenship. He chose to make Russia his home. He swapped democracy for autocracy as a tax protest. Unproductivity of the tax led France to abandon wealth taxation in 2017.

“A wealth tax is so problematic in construction and operation that it is unlikely to be adopted by Canada. But if it is, advisors with wealthy clients will have a massive task advising compliance,” says Derek Moran, founder of Smarter Financial Planning Ltd. in Kelowna, B.C.

ALBERTA

Alberta gives struggling oil and gas drillers municipal tax break

Struggling oil and gas companies in the Canadian province of Alberta will get a three-year break on municipal property taxes for land where they are drilling wells or building pipelines, the provincial government said on Monday.

The Alberta government said it would also lower property tax assessments on less-productive wells and eliminate a provincial tax on drills.

The measures combined are worth between C$81 million ($61.4 million) and C$84 million in the first year, government spokesman Justin Marshall said.

Energy companies have posted losses and laid off workers this year because of coronavirus pandemic travel restrictions that have crushed fuel demand and weakened oil prices. Some rural communities have been unable to collect taxes from the companies.

The tax break, applied to taxes starting in 2022, represents a balance between helping energy companies compete and keeping municipalities viable, said Al Kemmere, president of Rural Municipalities of Alberta. The province had previously been considering assessment reforms that municipalities feared would be more costly to their tax rolls.

There were 48 active rigs in Alberta during the week of Oct. 12, down from 97 a year earlier, according to data from the Canadian Association of Oilwell Drilling Contractors.

The drop-off this year has raised risks that much of the country's equipment will permanently fall out of service.

Calgary to unveil adjustments for 2021 budget

A clearer picture of next year's civic budget will come into view on Monday as adjustments to the spending plan are unveiled.

Calgary city council directed administration to bring back changes which would result in a property tax freeze or a tax cut for 2021.

It will be the third year of the city's current four year budget cycle.

The original plan for 2021 called for a three per cent tax increase but a pandemic and a depressed economy ensured that will not be allowed to go ahead.

"It's certainly an austerity budget," said Mayor Naheed Nenshi.

He has seen a preview of the adjustments and said 2021 will be the fifth consecutive year where spending will lag behind the rate of inflation plus population growth.

Still, the mayor said city bureaucrats have to find a balance.

"On the one hand, I think citizens really don't have to worry about their tax bill but on the other hand, they have to really be thoughtful about what services they don't want to see cut."

Pandemic redraws city finances

The coronavirus devastated the city's spending plans for 2020.

It had been expecting a budget shortfall between $150 million and $400 million.

To mitigate that, the city laid off 15 per cent of its staff. Nenshi has said that a federal bailout of $200 million will cover a shortfall in transit revenues as well as much of the city's operating deficit.

"That will keep the wolves at bay. That will get us through this year," said Nenshi.

Unlike the federal and provincial governments, municipalities aren't supposed to run deficits.

By law, Alberta municipalities must put forward balanced budgets. However, they can make arrangements to pay deficits in following years.

It's expected the burden of spending cuts will be shared across departments. While front line services are expected to be the last to be hit, Nenshi said administration has been asked to be thoughtful.

Police to cut spending

On Friday, the Calgary Police Commission announced that the Calgary Police Service is prepared to make $40 million of adjustments to its spending plans.

It wants to eliminated 60 new growth positions for 2021 which would save $10 million.

CPS said it can absorb $20 million of COVID-related impacts for 2020 and 2021. As well, it wants to reallocate $10 million to explore alternative call response models in 2021.

In its budget submission, the Commission stated it has worked closely with CPS leadership "to create an organization that is as lean as possible" while still ensuring citizens get the service they expect from the police.

More rebates possible

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One budget wildcard that won't be settled until later in November is how the city will cope with further shifts in the non-residential tax burden.

For 2020, council raised residential taxes by 7.5 per cent in order to reduce taxes on business properties by 10 per cent.

For 2021, lower property assessments on downtown properties and hotels are expecting to result in big tax increases for properties like large warehouses and distribution centres which have actually posted higher assessments.

Nenshi said once again, council will have to consider one-time rebates to shelter those businesses from large tax hikes.

However he said the method to do that hasn't been determined yet.

Council will discuss the changes during its annual budget debate in the last week of November.

Holding line on property taxes is good news for Edmonton real estate

Property taxes increased for Edmonton homeowners for 2020, but the bill still remains less costly than some other Canadian cities, a new report shows.

What's more, the 2020 Canadian Property Tax Rate Benchmark Report by Altus Group found the increase of about 2.7 per cent in the residential tax rate is less than what Calgary homeowners faced, who saw a 13 per cent rise.
"From a commercial and residential, the overall tax take … has been steadily climbing through these difficult years," says Kyle Fletcher, executive vice-president of property tax Canada, Prairie region at Altus Group.

Falling real estate prices due to the downturn in the province's energy industry have left the city with little choice but to increase the tax rate — also known as the mill rate — to compensate for reduced revenues, he says.

But the hike for 2020 could have been worse.

Fletcher notes the city had been considering a more than three per cent increase before the mill rate for 2020 was finalized in April.

"They tightened their belt and so it was basically flat, year over year," he says about residential and commercial rates combined.

But the residential rate still rose, and remains a significant concern for buyers, says realtor Tom Shearer, chair elect of the Realtors Association of Edmonton.

"Most agents arrive at showings with the assessment and tax amount in hand," he says, noting the taxes are one key factor to consider.

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But in a rapidly changing market where prices are volatile, the tax picture of today, based on the assessment of last year — which involves estimates founded on similar homes sold in the area — can be misleading, says Shearer, broker and owner of Royal LePage Noralta Real Estate.

Understanding the potential total tax bill can be telling. Consider an estimated bill for 2020 based on the average sale price of a single-family detached home for October ($442,854) using recent RAE data.

A rough estimate of the bill is $4,130. That's based on a $9.326 mill rate per $1,000 of assessed value shown in the Altus report. The sum would still be an increase from last year when the average price was $422,145 last October. Altus noted the tax rate then was $9.081 per $1,000 for residential. Using this figure, the annual property tax bill would have been about $3,833.

While an increase, the bill is not as high as other jurisdictions.

For example, Winnipeg has one of the highest mill rates in the nation at $11.938 per $1,000, Altus shows. Using the September average price for a single-detached home, $352,010, the estimated tax bill would be about $4,200.

In Calgary where the September benchmark price was $488,800 and the 2020 mill rate is $7.522, the total tax bill would be $3,676, based on the report's tax figures. (Estimates exclude provincial and municipal credits and rebates lowering actual taxes.)

Fletcher notes Calgary homeowners could be facing more rate increases beyond this year's jump as the city aims to rebalance the share of residential with commercial's portion.

In contrast, "the tax rate has been consistently rising if you look over the last five or six year in Edmonton."

But Fletcher is skeptical municipalities can make more increases without negatively impacting affordability.

"It would be just another strike making it hard for people to afford a home given the times that we're in."

BRITISH COLUMBIA

'This is a tax grab': Vancouver cracks down on speculators by tripling vacant home tax

Vancouver is cracking down on real estate speculators, and encouraging them to put empty homes up for rent, by tripling its original tax rate on vacant properties.

The Empty Home Tax (EHT) applies to homes that aren't a principal residence, or rented for at least 6 months of year, and launched in 2017 at 1 per cent of the assessed value of a property. An increase to 1.25 per cent was announced in 2019.

The new rate will be 3 per cent and goes into effect for the 2021 tax year.

Vancouver Mayor Kennedy Stewart says he's pleased council backed his plan "to stand up for renters"

"This groundbreaking tool has helped move thousands of homes back onto the rental market to help house our neighbours, but there are still too many homes that remain empty," he said in a release.

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“By tripling the tax from 1 per cent to 3 per cent since the tax launched, we're sending an even stronger message that homes are for people, not speculation."

The city says the number of vacant properties has fallen by 25 per cent since the EHT was launched and $61.3 million of net revenue from it has gone into affordable housing.

Will it make a difference?

David Hutchinson, of Sutton Group West Coast Realty in Vancouver, says the increase won’t do anything to curb speculation, because the previous tax rate was already enough of a deterrent and most speculators are already gone. He says tax avoidance could even lead to lower revenue.

“This tax mainly affects condo supply, and attached prices — especially downtown Vancouver — are already taking a hit, this will have little to no effect on prices,” he told Yahoo Finance Canada.

“This is a tax grab, pure and simple. The fact the mayor was once against this tax increase, but now suddenly is for it is an indication of that. Don't get me wrong, I'm all for the empty homes taxes, but for the right reasons.”

Hutchinson says the topped up tax won’t increase rental supply either.

“Rental supply is already up, the rental market is actually saturated now, it is a renters-market; and more and more rentals are being, planned, and built every day,” he said.

CAPE BRETON

CBRM's pandemic costs up, but revenues not down as much as feared

CFO Jennifer Campbell says deed transfer taxes and building permit fees have been unexpectedly strong

Next week, Cape Breton Regional Municipality will unveil its first financial statement since COVID-19 hit Nova Scotia eight months ago.

Jennifer Campbell, CBRM's chief financial officer, said since the spring, the municipality had expected to pay more for cleaning and sanitizing and braced for lost revenues from transit, facility rentals, deed transfer taxes and building permits.

However, she said, the reality has been somewhat different.

"While we are experiencing some pressures on the expenditure side, we are seeing better than anticipated results on the revenue side," Campbell said.

The province has since kicked in money for transit and CBRM has seen increased deed transfer taxes from property sales and increased commercial and residential building permit fees.

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Cape Breton realtors are reporting strong housing sales this year and Paul Burt, CBRM manager of buildings, planning and licensing, said the number of building permits is a little higher over previous years, but dollar amounts are up even more.

"We're definitely up in the value of construction, big time," he said.

Residential, commercial development growth

Burt said the provincial redevelopment of area hospitals, expected to cost around $400 million, and the construction of a new Nova Scotia Community College campus in downtown Sydney are both driving additional commercial and residential growth.

The provincial government does not need building permits from the municipality, but Burt said the NSCC building permit alone brought in about $80,000.

He said there's new commercial growth from the Horizon Achievement Centre and Protocase in Sydney's Open Hearth Park and a significant housing development is going up on Keltic Drive in Sydney River.

CBRM's last financial statement was presented publicly in September, but that covered the fiscal year-end up to March 31.

Since April, the municipality has been struggling to get a handle on the pandemic's impact and because of the fall elections, council only met once since July and that was to deal with the year-end financial results.

The details of the current financial picture will be presented next week at the first meeting of the newly elected CBRM council.

Meanwhile, Campell is already working on a budget forecast for next year.

She said a big concern is the rate of inflation, which the Nova Scotia Finance Department says is below zero due to the pandemic.

That will mean no increase in property assessments due to the cap, which is tied to inflation.

Municipalities use assessment values to set tax rates.

Tax rate traditionally steady

Campbell said CBRM has traditionally kept its tax rate the same and relied on annual assessment increases to bring in more tax revenue.

With the cap expected to keep assessments flat, the municipality will have to rely on assessment increases from new building permits and from properties that are no longer capped because they have been sold, she said.

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Because of the consumer price index, also known as CPI or the inflation rate, general assessments have increased one to three per cent over the last few years, Campbell said.

"This year will be a different animal altogether to try to deal with, with respect to tax growth," she said.

Hoping for 'organic' growth

It's too soon to predict what effect increased building permits and other user fees will have on next year's budget, Campbell said.

"We're hopeful that while CPI may not have increased and we won't see an increase in capped assessment, there will be other organic growth that will generate additional tax dollars," she said.

While the pandemic has affected inflation and will determine the assessment cap, the effect on property values will not be known until late next year.

Lloyd MacLeod, a senior manager with the Property Valuation Services Corp., said next year's property assessments will be based on Jan. 1, 2020 values.

"We won't see any actual impact from the pandemic, on assessment notices anyway, until 2022," he said.

MacLeod said next year's assessment values should be ready next month and will go to municipalities in January.

ONTARIO

Thunder Bay's property tax rate 2nd highest in Ontario, but what you pay is comparable to other cities

City councillors in Thunder Bay, Ont., have already started the 2021 budget process, holding a town hall style meeting on what taxpayers want to see in next year's budget.

The meeting comes as Zoocasa, a Toronto-based real estate firm released its findings on property taxes across the province.

The study, which used tax rates from municipal websites, and average real estate prices from real estate boards, determined the actual cost of property tax per municipality.

Thunder Bay had the second highest tax rate in the province, at 1.562626%, beating out Windsor for the highest rate in the province, at 1.775679%.

Toronto had the lowest tax rate in the province at 0.599704%.

Other cities in northern Ontario ranked just behind Thunder Bay when it came to tax rates, with Sault Ste. Marie, Sudbury and North Bay all within 0.07% of each other.

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The average cost of a home, however, was much lower in Thunder Bay, coming in at $266,628, the second lowest in the province, only to $209,785 in Sault Ste. Marie.

But what do all those values mean for taxation? Based on the average home sale price, a property owner would pay $4,166 in Thunder Bay, while in Sault Ste. Marie, that figure would be $3211.

In Sudbury, the average home, based on real estate transactions would pay $5,065 and in North Bay would pay $6,337.

Property taxes support city operations, including roads, parks, transit, garbage collection, police, fire and other city services.

How property tax rates are determined in Ontario involves a few calculations, including what the overall tax-supported budget is for a municipality.

Once that overall figure is determined, the tax rate is then determined, after the tax ratios are set by the community. The ratio determines what each property class (residential, commercial, multi-residential, farmland, industrial, etc) will pay for its portion of the overall tax levy.

Education taxes are included in the same bill as property taxes, but that tax rate is set by the province.

MPAC mails more than 875,000 notices, nearly half of which reflect changes in ownership across the province

Today the Municipal Property Assessment Corporation (MPAC) will begin mailing over 875,000 Property Assessment Notices to property owners across Ontario. If you recently moved, changed your school support or made changes to your property, your notice is on its way. In fact, we processed more than 421,000 changes in ownership and 212,000 changes in value on properties.

"Our work never stops to collect and validate property data to support accurate property assessments, market insights and analysis," said Nicole McNeill, President & Chief Administrative Officer. "Even during the pandemic, it was an active year in Ontario real estate markets as new properties were constructed, families moved, and properties were improved. The cumulative effective of these changes was an improvement value of over $37 billion dollars. To accomplish all of this during the pandemic we implemented new safety protocols to keep us all safe while completing property inspections to capture the updates reflected on the notices in the mail today."

In March, the Ontario government postponed MPAC's province-wide Assessment Update that was scheduled for this year. As a result, property assessments for the 2021 property tax year will continue to be based on the fully phased-in January 1, 2016 assessed values.

Property owners will receive a Notice from MPAC if there has been a:

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- change to property ownership, legal description, or school support;
- change to the property's value resulting from a Request for Reconsideration, an Assessment Review Board decision, or ongoing property reviews;
- property value increase/decrease reflecting a change to the property; for example, a new structure, addition, or removal of an old structure; or
- change in the classification or tax liability of the property.

"We encourage property owners to visit mpac.ca and log in to AboutMyProperty to learn more about how their property was assessed, see the information we have on file and compare it to others in their neighbourhood," said Carmelo Lipsi, Vice President of Valuation & Customer Relations and Chief Operating Officer. "If a property owner is concerned with their property's assessment, they can file a Request for Reconsideration (RfR) online through AboutMyProperty and we will review it free of charge. Remember the value on your notice reflects the value that your property would have sold for on January 1, 2016."

Property owners can visit mpac.ca and register for AboutMyProperty using their Roll Number and Access Key found on their Property Assessment Notice. The deadline to file an RfR for the 2021 property tax year is printed on each Notice.

More information on the 2020 Property Assessment Notices is available at mpac.ca.

Quick Facts

In 2016, every property owner in Ontario received a Property Assessment Notice as the result of a province-wide Assessment Update, reflecting a January 1, 2016 valuation date.

MPAC was scheduled to complete a province-wide Assessment Update in 2020, reflecting a valuation date of January 1, 2019.

The Ontario government postponed the Assessment Update due to the COVID-19 pandemic.

Property assessments for the 2021 property tax year will continue to be based on the fully phased-in January 1, 2016 assessed values.

- Breakdown of changes triggering a Property Assessment Notice:*
- Ownership change – 421,626
- School support – 294,142
- Mailing address – 306,384
- Property value – 212,568
- Tax apportionment – 182,220

*Properties may have more than one change triggering a Property Assessment Notice

About MPAC

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The Municipal Property Assessment Corporation (MPAC) is an independent, not-for-profit corporation funded by all Ontario municipalities, accountable to the Province, municipalities and property taxpayers through its 13-member Board of Directors. Our role is to assess and classify all properties in Ontario in compliance with the Assessment Act and regulations set by the Government of Ontario.

We are the largest assessment jurisdiction in North America, assessing and classifying more than five million properties in Ontario, representing $2.96 trillion in property value. Our assessments provide the foundation that municipalities use to base the property taxes needed to pay for community services.

SOURCE Municipal Property Assessment Corporation

Toronto homeowners pay the lowest property tax rates in all of Ontario

Buying a house in Toronto, if you're one of the few who can actually afford to do so anymore, is exorbitantly expensive when looking at the purchase straight on: The average price for a detached residence in the city is now more than $1.5 million.

Proportionately, however, based on the property taxes you'd need to pay every year, it's actually cheaper to live in Toronto than anywhere else in Ontario.

The real estate listing and analysis firm Zoocasa just released a report detailing how Toronto's infamously-low property tax rates came to be, and how Canada's largest city stacks up against 34 other municipalities across the province.

With young people leaving the city in droves to seek out larger, more-affordable spaces in smaller Ontario cities, there's never been a better time to consider just how big an impact this recurring annual expense will have on one's bank account over the years.

"It's important for buyers who are moving to a new municipality to note that the property tax rate their home is subject to and the total amount they pay in taxes every year will change as municipal tax rates vary widely across Ontario," reads the report.

"Depending on the municipality, the difference paid annually can be thousands of dollars depending on the size of the city, its council's operating budget, and even factors such as the health of its housing market."

Zoocasa calculated how much homeowners would pay in 35 different Ontario regions based on 2020 property taxes at three different assessment values: $250,000, $500,000 and $1,000,000.

"In Windsor – which features the highest property tax rate among the municipalities included on our list at 1.775679% – a homeowner would pay $8,878 per year in property taxes on a home assessed at $500,000," the report notes.

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"By comparison, in the City of Toronto – which has the lowest tax rate at 0.599704% among the municipalities included on our list – a homeowner would pay a comparatively lower $2,999 for a property assessed at $500,000."

Sounds strange, but it's true — though it's important to note that a $500,000 home in Toronto would be much, much smaller, and likely farther away from the downtown core than a similarly-priced home in Southwestern Ontario.

As for why Toronto's property taxes are so comparatively low, Zoocasa explains that it's up to individual city councils to set property tax collection rates.

"In Toronto, for instance, city council has purposely kept the residential tax rate below inflation as a promise to voters," states the report. "Keeping property taxes low can also act as an incentive to draw more buyers to a city's property market."

The report also notes that cities with "high-valued local real estate and larger populations" have more leeway on keeping tax rates low, as they're collecting more money from more people in more-expensive houses, generating sufficient cash to float the operating budgets of their respective councils.

You can read more about the why and how here, and see which cities have the highest and lowest property tax rates as of 2020 below:

Ontario presents budget with record deficit, proposed property tax breaks for small businesses — but no new money for public health

"As the people of Ontario understand, the current levels of government spending are neither sustainable nor desirable over the long run," Finance Minister Rod Phillips said in his budget speech.

Ontario's Progressive-Conservative government unveiled a 2020 budget Thursday that poured billions more into responding to the novel coronavirus pandemic, but made no explicit mention of new money for public health units like Ottawa's, which is facing significant cost overruns from doing the same.

It was the province's first budget since COVID-19 upended the economy and lives of so many Ontarians, and includes plans for $45 billion in pandemic-related spending over the next three years and a record deficit of $38.5 billion for this one, as had already been projected in an August fiscal update. A path to balance is expected in next year's budget.

"As the people of Ontario understand, the current levels of government spending are neither sustainable nor desirable over the long run," Finance Minister Rod Phillips said in his budget speech.

"But, as the global pandemic continues around the world, they remain necessary today."

The spending plan factored in many funding commitments that had already been announced, but it did unveil new initiatives as well, including another round of $200 per-child payments to parents through the Support for Learners initiative, a proposed new home-renovation tax credit designed to help seniors stay in their homes longer, emergency funding for arts institutions, a move to subsidize a portion of hydro rates for medium and large commercial and industrial businesses and a $150-million initiative to cover a portion of tourism expenses for Ontario staycations.

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Notably absent was costing for the new standard for long-term care announced earlier this week under which nursing home residents would receive an average of four hours of direct care daily. Asked about the omission, Premier Doug Ford insisted the province was "totally committed" to the new standard, but said it needed to consult with stakeholders before providing more details.

The budget also made no mention of additional dollars for public health units, which drew the ire of the Ontario New Democratic Party.

"There are no new investments in public health, despite rationed testing and contact tracing," the Official Opposition said in a prepared statement, with leader Andrea Horwath saying that left families "at grave risk."

CUPE Ontario President Fred Hahn also called out the provincial government for failing to provide new money for public health "when we need their important work now more than ever."

Ottawa Public Health faces $12 million in pandemic-related budget pressure for 2020. In presenting the city's 2021 budget on Wednesday, Mayor Jim Watson said OPH was waiting on confirmation that the province would pick up that tab.

"We hope to see language in the provincial budget (Thursday) reconfirming that this support is forthcoming," Watson said. While the spending plan announced Thursday didn't spell this out, Watson maintained in a subsequent interview that he felt good about OPH receiving money to cover its 2020 deficit.

OPH board chair and Knoxdale-Merivale Coun. Keith Egli had much the same reaction.

"We've had good discussions with the province, as has Dr. Etches," Egli said, referring to Ottawa's medical officer of health. "It's certainly our understanding that the $12 million is going to be there for us for this year. But, having said that, yes, it would have been nice to see it in a more concrete fashion so we can sort of know with certainty that that's going to happen."

Egli said he and Watson have a meeting scheduled with Health Minister Christine Elliott next week and the $12-million budget crunch will be a major topic of discussion. Looking forward, OPH also anticipates a possible $22.5-million shortfall for 2021. Here, too, Egli was optimistic the city wouldn't be left holding the bag.

"We haven't been given any indication from the province to stand down on responding to COVID or to stand down on doing the normal sorts of day-to-day work that public health carries out, and, in order to do that, it's going to cost more money because the normal budget doesn't take into account something like COVID. So I'm hopeful that it will all get sorted out in the end," Egli said.

The mayor also said he's optimistic about Ottawa health care programs receiving a good chunk of the $6 billion in provincial money earmarked to protect people from COVID-19.

Thursday's budget also revealed that Ontario's PC government wants to grant municipalities the power to issue property-tax breaks to small businesses. Regarding this proposal, Ottawa's mayor saw only pitfalls.

"It's an interesting idea, but, obviously, if you lower someone's taxes, you've got to raise someone else's," Watson said. "That would mean raising residential property taxes."

Watson said he liked the province's idea of lowering business education taxes, but property taxes are the municipality's largest source of revenue and cutting one tax category would lead to an increase for other taxpayers. It makes no sense to add another financial hurdle for municipalities during a pandemic, he said.

The province is allowing municipalities to activate the small-business property tax breaks in 2021, which is even more difficult for Ottawa since the city only tabled its draft 2021 budget on Wednesday.

The city is proposing to raise property taxes by three per cent in 2021 while also projecting a $153.5-million COVID-related deficit, and offsetting that would require upper-government assistance.

There would only be about a month for staff to figure out how to work in a property tax break for small businesses, if city council wanted to pursue it. There was also no language in Thursday's provincial budget to guide municipalities on what a "small business" would be.

"Until I see more details, I wouldn't want to commit to it because I don't want to see people's home property taxes offset the reduction," Watson said.

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