



# 2025 & 2026 OPP Billing

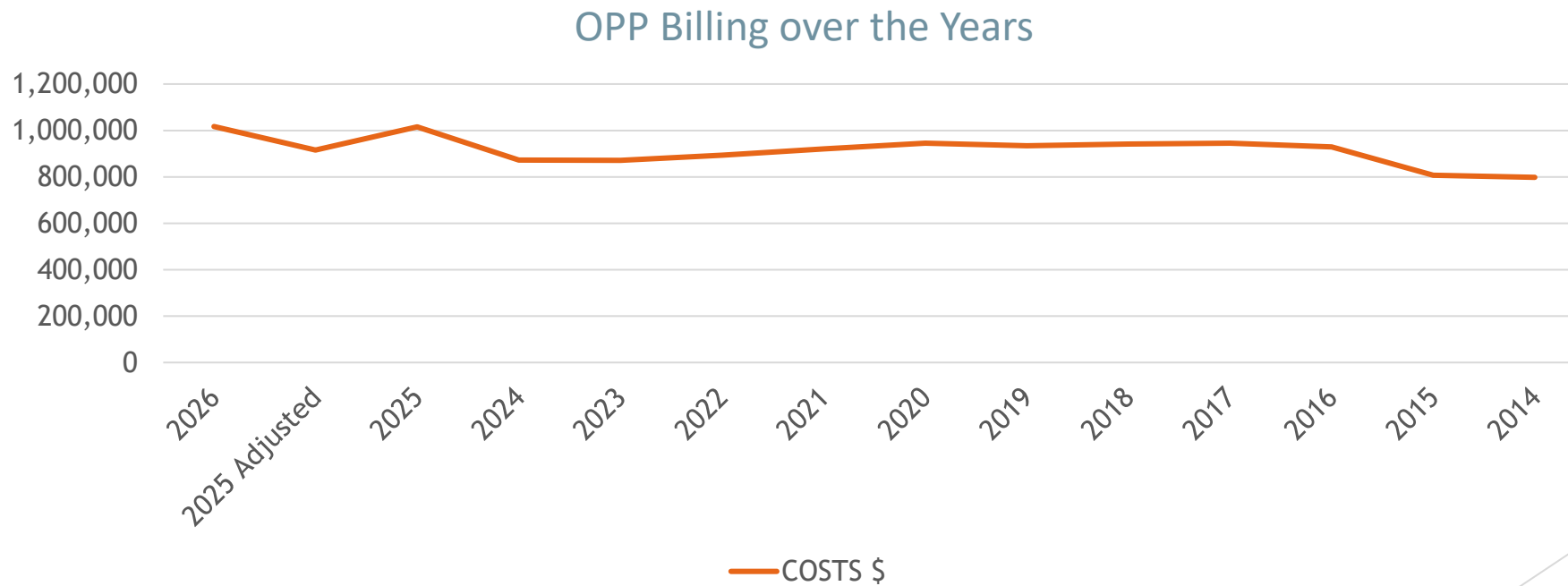
Returning To General Levy

# History of OPP Billing

- ▶ Early 2000s download during the “COMMON SENSE REVOLUTION”
- ▶ Broad effort for the Province of Ontario to manage costs of policing services to municipalities
- ▶ Increased costs year over year – WITHOUT municipal input
- ▶ OPP Community Hubs created in 2015 by the Community Hubs Framework Advisory Group
- ▶ Mid 2010s change to OPP Billing Model – billing based on household counts
- ▶ Killaloe Detachment integrated into UOV Host Detachment September 2024
- ▶ Upper Ottawa Valley Host Detachment – Petawawa (Host Detachment), Pembroke, Killaloe, Whitney

# OPP Billing

- ❖ For many years Councils have been discussing rising costs and inequitable policing costs in service hub communities and the lack of input on annual OPP Billing from the Province



# Municipal Concerns

- ▶ The Killaloe OPP Station acts as a service hub for surrounding communities because they house provincial infrastructure such as Hospitals, Courts and/or Social Services used by residents of surrounding jurisdictions
- ▶ The communities tied to service hubs face higher calls for service on a per capita basis than other municipalities and pay a greater per capita cost (Source: Association of Municipalities of Ontario report on policing costs, 2024)
- ▶ Municipalities are surprised annually with ever increasing service costs
- ▶ Municipalities continue to face tough choices between paying for increasing police budgets and investing in long-term infrastructure projects
- ▶ The FISCAL FRAMEWORK that enables municipalities to provide both critical services and infrastructure is BROKEN

# 2025 Decision on OPP Levy

- ▶ In 2024 Council began discussions of removing the OPP Billing costs from the Tax Levy and applying it equally to each property rather than use the assessment-based billing
- ▶ Justification for doing so: Higher Assessment  $\neq$  Better OPP Service
- ▶ 2025 Budget discussions Council approved removing the cost of OPP Billing of \$916,105 and apply it equally to 4,323 property tax rolls = **\$211.91** each
- ▶ OPP Billing is presented to municipalities calculated by property counts
- ▶ Municipal Act, 2001 states that *“Municipalities may impose fees and charges for services and activities provided by the municipality, for costs payable by the municipality, and for the use of municipal property”*
- ▶ ‘OPP’ Levy was created and applied as a separate charge on tax bills August 2025

# Returning the OPP Costs to General Levy

- ▶ Following public concerns and dissatisfaction with the creation of the OPP Levy, October 2025 requested legal interpretation from Cunningham & Swan
- ▶ Interpretation concludes the municipality created an “Indirect Tax” to property owners which is non-permissible under Municipal Act, 2001
- ▶ During the download of the OPP Billing to municipalities, legislation was written in such a way that requires the municipality to apply the cost of OPP services through an assessment - based levy
- ❖ Therefore, to correct this the municipality must recalculate OPP Billing from 2025 and reapply it in the form of a tax rate in August 2026 and **credit back the ‘OPP’ Levy**

# 2025 OPP Levy Reversal in 2026

2024 Tax Rate = 0.00571250

2025 Tax Rate = 0.00470563 (with OPP Billing removed)

Difference = 0.00100687 OR 17.6% Decrease for Residential Properties

If the municipality kept the OPP Billing in the General Levy the tax rate would have been: 0.00579757

❖ To calculate property taxes: Tax Rate x Assessment = Municipal Taxes

# 2025 OPP Levy Reversal in 2026... cont'd

2025 Tax Rate = 0.00470563 (with OPP Billing removed)

2025 Tax Rate = 0.00579757 (with OPP Billing added back)

Difference = 0.00109194 \*\*\* This is the value that will be billed to residents

- ❖ How this affects each property: 0.00109194 X Assessment - 211.91 = \$\$
- ❖ 50,000 Assessment x 0.00109194 - 211.91 = Credit of \$157.32
- ❖ 150,000 Assessment X 0.00109194 - 211.91 = Credit of \$48.12
- ❖ 250,000 Assessment x 0.00109194 - 211.91 = \$61.07
- ❖ 350,000 Assessment x 0.00109194 - 211.91 = \$170.26
  
- ❖ In the 2025 Billing Year - the reverse of the above happened



# What Will This Look Like On The Tax Bill

- ▶ In August of 2026, the Final Tax Bill will be issued
- ▶ What you will see:

<u>Municipal Levy</u>	<u>County Levy</u>	<u>Education Levy</u>
2026 Tax Rate: 0.00???????	0.00?????????	0.00?????????
2025 OPP Adj: 0.00109194		
'OPP' Credit: -211.91		

- ❖ Properties assessed over 250,000 will see an increase in taxes as a result of the change, those somewhat below 250,000 will see a decrease
- ❖ Remember: this is a correction of how the municipality billed

# Municipal Concerns – Moving Forward

- ▶ Council and staff will continue to lobby the Province on the inequities with the OPP Billing Model
- ▶ Municipal Associations have also been actively lobbying the Province to review the Fiscal Framework legislated for municipalities - including AMO and EOWC
- ▶ Notification will be placed in the February and August Property Tax Bills, this correction will be seen on the Final Property Tax Bill in August