



**City of Kingston
Report to Council
Report Number 26-092**

To: Mayor and Members of Council
From: Desirée Kennedy, Chief Financial Officer & City Treasurer
Resource Staff: Lana Foulds, Director, Financial Services
Jeff Walker, Manager, Taxation & Revenue
Date of Meeting: May 5, 2026
Subject: 2026 Final Tax Levy and Tax Rates

Council Strategic Plan Alignment:

Theme: Financial measures/budget

Goal: See above

Executive Summary:

The [Municipal Act, 2001](#) requires municipalities to pass a by-law to enable the levying and collecting of property taxes. The 2026 operating budget, deemed approved on January 20, 2026, included an amount of \$304,149,367 to be raised by taxation including external agencies. As per Council direction, amounts for external agencies will show as a separate levy on tax bills, as will the University Hospitals Kingston Foundation levy and the amount requisitioned from the County of Frontenac for the City's share of services managed by the County. The recommendations in this report serve to formalize the appropriate by-laws to enable the levying of taxation.

The 2026 tax levy by-law includes provisions for a final 2026 tax installment to be due on the last business day in June, with a due date of June 30, 2026. Separate billings for capped and non-capped property classes, penalty, and interest charges to be applied for non-payment of taxes, and payments to be made at financial institutions or Canada Post outlets.

In order to meet tax billing process deadlines, staff are recommending that the by-law to levy taxes for the year 2026, being presented as Exhibit A to this report, be given three readings at the same Council meeting.

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Recommendation:

That the by-law attached as Exhibit A to Report Number 26-092 be presented to Council for three readings on May 5, 2026, in order to levy taxes for the year 2026 to:

1. Set the tax rates to be levied upon the assessment in each property class to raise the amounts required by taxation:
 - a. Municipal Tax Levies

i. General Tax Levy	\$ 175,987,381
ii. External Agencies Tax Levy	86,768,693
iii. Regulated Tax Levy	57,378
 - b. Special Area Levies

i. Fire Central	\$ 20,146,045
ii. Fire West	14,167,620
iii. Fire East	2,481,090
iv. Garbage Disposal	2,157,054
 - c. County of Frontenac Levies

i. Fairmount Home for the Aged Levy	\$ 4,170,917
ii. Frontenac Paramedic Services Levy	15,252,125
 - d. University Hospitals Kingston Foundation Levy

	\$ 2,500,000
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 - e. Business Improvement Area Levies

i. Operating Levy	\$ 1,618,570
ii. Capital Levies	291,551
2. Adopt the education tax rates to levy education taxes on behalf of the Province; and
3. Establish the necessary provisions to enable the preparation and collection of the 2026 final tax levy.

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Authorizing Signatures:

ORIGINAL SIGNED BY CHIEF

FINANCIAL OFFICER & CITY TREASURER

**Desiree Kennedy, Chief
Financial Officer & City
Treasurer**

ORIGINAL SIGNED BY CHIEF

ADMINISTRATIVE OFFICER

**Lanie Hurdle, Chief
Administrative Officer**

Consultation with the following Members of the Corporate Management Team:

Paige Agnew, Commissioner, Growth & Development Services	Not required
Jennifer Campbell, Commissioner, Community Services	Not required
Neil Carbone, Commissioner, Corporate & Emergency Services	Not required
David Fell, President & CEO, Utilities Kingston	Not required
Jenna Morley, City Solicitor	Not required
Ian Semple, Commissioner, Transportation & Infrastructure Services	Not required

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Options/Discussion:

Background

Under Strong Mayor Powers legislation, the 2026 operating and capital budget was deemed approved on January 20, 2026. The 2026 operating budget reflected a property tax increase for municipal services of 2.35%, inclusive of the 1% increase for infrastructure investment, as well as a separate property tax increase for external agencies of 1.4%, for a total amount of \$304,149,367 to be raised by property taxation. As per Council direction, the 2026 levy for external agencies will show as a separate levy on the property tax bills.

In 2022, Council approved an annual \$2.5 million University Hospitals Kingston Foundation (UHKF) levy to provide for a funding request from UHKF of \$25 million over ten years. This shows as a separate item on property tax bills.

As per Council direction, the annual requisition from the County of Frontenac for the City’s share of services managed by the County also shows as a separate levy on the property tax bills. City staff received the 2026 budget requisition from the County of Frontenac outlining the City’s share of the operating and capital requirements for Fairmount Home for the Aged and Frontenac Paramedic Services. As shown in Table 1 below, the total 2026 requisition from the County represents an increase of 5.5% over the 2025 requisition.

The County of Frontenac confirmed the City’s share of the 2025 year-end surplus for Fairmount Home for the Aged of \$737,619 and the City’s share of the 2025 year-end deficit for Frontenac Paramedic Services of \$1,432,399. The net 2025 deficit of \$694,780 will be included as part of the City’s total 2026 levy for County services, resulting in an average residential property tax increase of 0.45%.

Table 1: County of Frontenac Annual Requisition

	2025 Annual Requisition \$	2026 Annual Requisition \$	Increase / Decrease %	2025 (Surplus) / Deficit \$	2026 Levy \$
Fairmount Home for the Aged	4,763,912	4,908,536	3.0%	(737,619)	4,170,917
Frontenac Paramedic Services	12,992,732	13,819,726	6.4%	1,432,399	15,252,125
Total	17,756,644	18,728,262	5.5%	694,780	19,423,042

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In 2026, the provincial education tax rates remain unchanged from the 2025 rates. In the past few years provincial education tax rates have remained unchanged, and this education tax room has reduced the impact of municipal tax increases.

As shown in Table 2 below, after accounting for the provincial education tax room, the total average tax increase for 2026 for a residential property is 3.63%, which includes the City levy as well as levies for external agencies, the University Hospitals Kingston Foundation, and the County of Frontenac.

On March 24, 2026, Council approved the 2026 tax ratios, as per By-Law Number 2026-29, to be used in calculating the 2026 final tax rates. The 2026 tax ratios remained unchanged from the 2025 tax ratios.

The draft by-law to levy taxes for the year 2026, attached to this report as Exhibit A, sets the tax rates and assessments upon which the taxes are calculated to provide the required levies. The draft by-law includes calculated tax rates to raise amounts required for general municipal purposes, including area-rated services for fire and garbage, the external agencies levy, the County of Frontenac budget requisition, the University Hospitals Kingston Foundation levy, and the Downtown Kingston Business Improvement Area (BIA) levy.

Except for BIA levies and education levies, which are discussed later in this report, and regulated tax rates for Hydro and Railway right-of-way properties, all tax rates have been determined for each property class by calculating the residential tax rate and multiplying it by the tax ratio for each class.

Attached to the draft by-law to levy taxes for year 2026 are the following schedules:

Schedule 1 - 2026 Revenue to be raised by Taxation

Schedule 2 - 2026 Tax Rate Schedule – Non-capped Property Classes

Schedule 3 - 2026 Tax Rate Schedule – Business Property Classes

Schedule 4 - 2026 Tax Rate Schedule – Business Property Classes (Education Retained)

Schedule 5 - 2026 General Municipal Levy

Schedule 6 - 2026 External Agencies Levy

Schedule 7 - 2026 Regulated Municipal Levy

Schedule 8 - 2026 Fire Levy – Special Area Rates

Schedule 9 - 2026 Garbage Disposal Levy - Special Area Rate

Schedule 10 - 2026 University Hospitals Kingston Foundation Levy

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Schedule 11 - 2026 County of Frontenac Levy

Schedule 12 - 2026 Downtown Kingston! Business Improvement Area Operating Levy

Schedule 13 - 2026 Downtown Kingston! Business Improvement Area - Slush Puppie Place Levy

Schedule 14 - 2026 Education Levy

Tax Bill Comparison by Class - Residential

As directed by Council, the levies for external agencies, the University Hospitals Kingston Foundation, and the amount requisitioned for the City’s share of services managed by the County will be billed as separate components on the City’s final property tax billing.

The 2026 operating budget reflected increases of 2.35% for municipal services, including garbage and area-rated fire services, and the University Hospitals Kingston Foundation levy. 1.4% for external agencies and a 0.45% increase to tax bills for the County of Frontenac Levy. After including the provincial education tax rate, which remained unchanged from 2025, the 2026 tax increase for an average residential property valued at \$328,099 is \$179.22 or 3.63%, as shown in Table 2 below.

Table 2: Summary of 2026 Residential Tax Bill

Tax Levy Component	Average Residential Change
General Municipal Levy (incl fire, garbage & UHKF)	\$ 100.11
External Agencies Levy	59.28
County of Frontenac Levy	19.83
Total Average Tax Increase (\$) - including education	\$ 179.22
Total Average Tax Increase (%) - including education	3.63%

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Table 3 below provides a summary of the average total increase in 2026 property taxes by area after assessment growth for an average residential property valued at \$328,099, which is the average residential property assessment for both 2025 and 2026 taxation purposes, based on fully phased-in January 1, 2016, current values. Tax increases differ by area due to the policies associated with levying fire costs by area.

Table 3: 2025-2026 Residential Tax Bill Comparison

Assessment Area	Central 2025	West 2025	East 2025	Central 2026	West 2026	East 2026
General Levy	2,405.39	2,405.39	2,405.39	2,496.42	2,496.42	2,496.42
Fire	669.37	425.69	293.06	674.59	437.78	300.05
Garbage	51.37	51.37	51.37	52.59	52.59	52.59
External Agencies Levy	1,171.57	1,171.57	1,171.57	1,230.84	1,230.84	1,230.84
University Hospitals Kingston Foundation Levy	36.00	36.00	36.00	35.46	35.46	35.46
County of Frontenac Levy	255.69	255.69	255.69	275.52	275.52	275.52
Total Average Residential Tax Bill	4,589.39	4,345.71	4,213.08	4,765.42	4,528.61	4,390.88
Education	501.99	501.99	501.99	501.99	501.99	501.99
Total Average Residential Tax Bill including Education	5,091.38	4,847.70	4,715.07	5,267.41	5,030.60	4,892.87
Average Total % Increase (including Education)				3.46%	3.77%	3.77%

Tax Bill Comparison by Class – Other Classes

Similar to residential classes above, Table 4 below provides the average tax increase, including education taxes, for all other property classes.

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Table 4: 2026 Average Tax Increase, including education – Other Property Classes

Commercial %	Industrial %	Multi-Residential %	New Multi-Residential %	Farm %
3.05	3.25	3.81	3.64	3.55

Education Tax Rates

The provincial government sets the education tax rates for all property classes in Ontario Regulation 400/98, as amended. The 2026 education tax rates for all property classes remain unchanged from the 2025 rates as property assessments for the 2026 taxation year continue to be based on the same fully phased-in valuation date that was in effect for the 2020 through 2025 taxation years.

A 2025 to 2026 comparison of education tax rates by property class is provided in Table 5 below.

The total 2026 education taxes being levied are \$50,345,413. This amount was calculated by applying the regulated rate to the appropriate assessment class and is included in Schedule 14 to the draft by-law.

Table 5: 2025-2026 Education Tax Rate Comparison

Property Class	2025 Business Education Tax Rates	2026 Business Education Tax Rates
Residential, New Multi-residential, Multi-Residential	0.00153000	0.00153000
Farm, Managed Forest	0.00038250	0.00038250
Pipeline	0.00880000	0.00880000
Commercial	0.00880000	0.00880000
Industrial	0.00880000	0.00880000
Aggregate Extraction	0.00511000	0.00511000

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2020 Reassessment for Property Taxation continues to be postponed

The province's originally scheduled reassessment for the 2021-2024 assessment cycle continues to be delayed. In the 2025 Fall Economic Statement, the Province advised the government will continue to hold property assessment values stable across the province and continue to defer the province-wide property tax reassessment for the 2026 taxation year. As a result, property assessments for the 2026 property tax year continue to be based on the fully phased-in January 1, 2016 current values. This means that, unless there have been changes to a property, property assessments for the 2026 property tax year will be the same as the 2025 tax year and the tax burden across property classes will remain consistent. The Municipal Property Assessment Corporation (MPAC) continues to update assessment rolls to reflect new construction.

Tax Bill Provisions

Also included in the 2026 tax levy by-law are provisions for installment due dates, separate billings for capped and non-capped property classes, penalty, and interest charges to be applied for non-payment of taxes and a number of payment options. These items are required to be passed by by-law, pursuant to the [Municipal Act, 2001](#), and are consistent with previous years.

Separate tax billings are recommended for both non-capped property and capped property classes. The due dates for both billings are June 30, 2026; accordingly, tax bills must be sent out by June 9, 2026, to comply with the 21-day notice period.

With respect to payment at financial institutions, it has been the City's practice to allow property owners to pay taxes at financial institutions, and this provision is set out in the draft by-law. In addition to paying at financial institutions, taxpayers also have the option to pay at Canada Post outlets where MoneyGram Bill Payment Services are offered. Taxpayers pay a fee for this service. The City has also partnered with Paymentus Corporation to provide the option of making a payment by VISA or MasterCard online or over the telephone. Paymentus charges the taxpayer a convenience fee for each transaction. Property tax payments by credit card cannot be made in person at City Hall.

The application of late payment charges for non-payment of taxes is provided at the maximum amount permitted in the [Municipal Act, 2001](#), which is 1.25% per month (15% per annum). These charges are consistent with previous years.

Existing Policy/By-Law

[Municipal Act, 2001](#), as amended

City of Kingston By-Law Number 87-315, A By-Law to Establish a Business Improvement Area

City of Kingston By-Law Number 2003-368, A By-Law to Provide for an Alternative Instalment (Pre-Authorized) Tax Payment Program

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City of Kingston By-Law Number 2006-137, A By-Law to Levy a Special Charge of \$3,000,000.00 Upon Rateable Property in the Downtown Kingston Business Improvement Area on Account of the Cost of the Kingston Sports and Entertainment Centre

City of Kingston By-Law Number 2014-69, A By-Law to Establish a Service Fee for Payment Card Processing Services

City of Kingston By-Law Number 2026-29, A By-Law to Establish the 2026 Tax Ratios

Notice Provisions

Due dates for both non-capped property and capped property classes are June 30, 2026; accordingly, tax bills must be sent out by June 9, 2026, to comply with the 21-day notice period.

Financial Considerations

With the approval of this report and related draft by-law, 2026 taxation revenues will be billed and collected in accordance with existing policy and practice.

Contacts:

Jeff Walker, Manager, Taxation and Revenue, 613-546-4291 extension 2484

Other City of Kingston Staff Consulted:

None

Exhibits Attached:

Exhibit A – Draft by-law, being “A By-Law to Levy Taxes for Year 2026”, including Schedules