



REPORT

REPORT TO: The Chair and Members of the Corporate and Community Affairs Committee

REPORT FROM: Wendy O'Donnell, CPA, CGA
Deputy Treasurer/Manager of Revenue and Taxation

DATE: October 31, 2018

REPORT NO.: CORPSERV-2018-0048

RE: 2019 Interim Tax Rates

RECOMMENDATION:

THAT Report No. CORPSERV-2018-0048 dated October 31, 2018, regarding the 2019 Interim Property Tax Levy be received;

AND FURTHER THAT a by-law be enacted authorizing Council to provide for an Interim Tax Levy for 2019;

AND FURTHER THAT taxes be due and payable on February 26 and April 26, 2019;

AND FURTHER THAT the payment of taxes for (portions of) properties having a farm designation (FT) as identified by the Municipal Property Assessment Corporation be deferred until September 26, 2019.

BACKGROUND:

Under Section 317 (1) of the Municipal Act, 2001, S.O. 2001 c. 25, as amended (the Municipal Act, 2001), municipalities are permitted to pass a by-law levying amounts based on property assessments for local municipal purposes.

At the time of writing this report, those values used to calculate notional tax rates that produce a tax levy amount of approximately one-half of approved 2018 budgets have not yet been provided to the Town by the Municipal Property Assessment Corporation (MPAC). Once received, notional rates will be calculated and applied to the 2019 interim levy using the calculation as described above.

COMMENTS:

The attached by-law provides for the levy of interim taxes as authorized by Section 317 of the Municipal Act, 2001. Due to the limited time available between receiving the year-end final tax roll and the legislative timing of mailing tax bills to property owners, rate schedules are not included with the interim by-law.

The interim taxes will be due in two installments, except for properties registered for the ten (10) payment pre-authorized tax payment plan, which provides for five installments from January to May of 2019. These installments were included in the 2018 Final Tax Rate By-law.

The attached by-law also sets the 2019 interest and penalty rate at 1.25% per month which is the maximum rate permitted under the Municipal Act, 2001.

RELATIONSHIP TO STRATEGIC PLAN:

This report supports the priority around Municipal Service Delivery with respect to the effective, efficient and economical delivery of the Town's existing services.

FINANCIAL IMPACT:

The interim property tax levy by-law permits the Town to collect property-related taxes prior to the setting of the final tax rates in May. This is done for the Town's own purposes as well as on behalf of Halton Region, the four school boards, and the Acton and Georgetown BIAs. Interim taxes provide funds for all of these organizations earlier in the fiscal year to administer their respective projects, programs, facilities, and services. This also allows property owners to spread out the payment of property taxes over most of the year.

CONSULTATION:

Staff regularly consults local area municipalities and other surrounding municipalities in determining best practices as it relates to tax billing processes. Most municipalities present their by-laws in December prior to receiving the final roll from MPAC and do not include schedules of the notional rates to ensure sufficient time to prepare the interim tax notices.

SUSTAINABILITY IMPLICATIONS:

The Sustainability Implications of the recommendations of this report were reviewed against the requirements of the Town's Sustainability Implications Worksheet. The Worksheet is completed for substantial non-administrative reports, major projects, studies, policies and initiatives that are relevant to advancing the Town's economic, cultural, environmental and social well-being, and quality of life. Since this report is none of the latter, the Sustainability Implications section is not applicable.

COMMUNICATIONS:

The establishment of an interim tax levy by-law, the subsequent production of interim levy property taxes, and the interim tax bill provides property owners with information about their tax class, the assessed value of their property, the applicable tax rates, and their contributions to the Town, the Region and the boards of education.

CONCLUSION:

The approval of the interim tax rates will permit the Town to collect interim property taxes based on notional tax rates.

Reviewed and Approved by,

A handwritten signature in cursive script that reads "Wendy O'Donnell".

Wendy O'Donnell, Manager of Finance

A handwritten signature in cursive script that reads "Jane Diamanti".

Jane Diamanti, Commissioner of Corporate Services

A handwritten signature in cursive script that reads "Brent Marshall".

Brent Marshall, CAO