



REPORT

REPORT TO: Mayor Bonnette and Members of Council

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

DATE: April 14, 2020

REPORT NO.: CORPSERV-2020-0018

RE: 2020 Final Property Tax Rates

RECOMMENDATION:

THAT Report No. CORPSERV-2020-0018 dated April 14, 2020, regarding the 2020 Final Property Tax Rates, be received;

AND FURTHER THAT staff bring forward a by-law authorizing Council to provide for Final Property Tax Rates for the 2020 taxation year;

AND FURTHER THAT installment due dates for the Final Property Tax Rate be set as August 31, 2020 and October 30, 2020;

AND FURTHER THAT installment due dates for taxpayers on the Ten (10) Monthly Pre-Authorized Tax Payment Plan for the latter half of 2020 be set as June 26, July 29, August 27, September 28, October 28, 2020 and for first half of 2021, set as January 27, February 24, March 29, April 28 and May 27, 2021;

AND FURTHER THAT installment due dates for taxpayers on the Monthly Pre-Authorized Tax Payment Plan who deferred parts of the interim payments be set for the latter half of 2020 as June 26, July 29, August 27, September 28, October 28, November 26 and December 29, 2020 and for the first half of 2021, revert back to the ten (10) month plan with the dates set as January 27, February 24, March 29, April 28 and May 27, 2021;

AND FURTHER THAT installment due dates for those on the Installment Pre-Authorized Payment Plan for 2020 be set as August 31, 2020 and October 30, 2020;

AND FURTHER THAT the payment of property taxes for (portions of) properties classed as farmland (FT) shall be due in full on September 26, 2019.

BACKGROUND:

On December 2, 2019 Council approved Report CORPSERV-2019-0045 dated November 25, 2019 which established the Town's 2020 operating budget net for levy requirements as \$53,557,300.

Staff will bring forward a by-law that provides for the levy of taxes for the 2020 taxation year as required under the authority of Section 312 of the Municipal Act, 2001, S.O. 2001, Chapter 25, as amended (Municipal Act).

COMMENTS:

The final tax levy is calculated by multiplying the Town tax rates by the assessments for each of the respective property classes. The assessments used are those found in the December 2019 returned assessment roll as provided by the Municipal Property Assessment Corporation (MPAC) for the 2020 taxation year. The final tax bill amounts are then adjusted for any applicable:

- Credits or amounts outstanding
- Phase-in amounts calculated according to Bill 140 and the Municipal Act
- Capping and clawback adjustments based on the Region's program
- Amounts paid as part of the interim bills
- Other charges such as Business Improvement Area (BIA) levies

The final property tax bill due dates are as follows:

- August 31 and October 30, 2020 for those paying by cash, cheque, debit, through a mortgage company, on-line through a banking institution, on-line third party credit card provider or on the installment-based pre-authorized payment plan;
- For those registered in the monthly pre-authorized payment plan the Town will continue to provide for a ten (10) month plan with due date on the 3rd last business day of June, July, August, September and October.
- Due to COVID-19 the Town will also offer assist to those that deferred part of their interim payments two additional months with due dates on the 3rd last business day of June, July, August, September, October, November and December

At Council's direction, property taxes for properties classed as farmland (FT) were deferred until the final installment. These taxes will be due in full on October 30, 2020. As far as can be determined, Halton Hills is the only Ontario municipality that supports their farming community in this significant way.

Due to COVID -19 the Town is also providing additional support to its ratepayers by lower penalty on arrears taxes from 1.25% to 1.00% from July 1 to December 31, 2020. The Town will also be waiving the arrears notice fee for the remainder of the year. In addition, after June 30th when the grace period for tax penalties ends, taxpayers have the ability to negotiate a reasonable repayment plan with the Supervisor of Property Taxation.

Establishing these due dates assists the Town in securing sufficient tax revenues to meet its payment obligations to the Region of Halton and the Boards of Education and to adequately provide services and fund the operation of Town facilities.

The Town provides a number of payment options to assist property tax payers to meet the Council-approved due dates:

- Pre-Authorized Payment Plans
- Payments through mortgage companies
- Internet and telephone payment through banks
- Third party credit card on-line payment services
- Cash, debit and cheque/post-dated cheques

Under the provisions of the Municipal Act, tax bills must be issued no later than 21 days prior to the first installment due date. Also, legislation requires 10 days notification of withdrawal dates and amount for those on a pre-authorized payment plan.

RELATIONSHIP TO STRATEGIC PLAN:

Provide Responsive, Effective Municipal Government

To provide strong leadership in the effective and efficient delivery of municipal services

FINANCIAL IMPACT:

Relief and repayment options will impact various 2020 budgets.

- Tax Penalty and interest, deficit ranging from 225,000 to 300,000
- Arrears Notice fee, deficit of approximately \$45,000

CONSULTATION:

The 2020 final tax rates are a result of a considerable amount of work undertaken by staff from each of the area municipalities (Halton Hills, Oakville, Burlington, and Milton) in conjunction with Halton Region staff. Recommended changes to property tax policies are considered by the Area Treasurers and ultimately approved by Halton Regional Council.

PUBLIC ENGAGEMENT:

Not applicable.

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 wellbeing, and quality of life. Since this report is none of the latter, the Sustainability Implications section is not applicable

COMMUNICATIONS:

Final property tax information is communicated to property owners in the following ways:

- A tax brochure is included with the final tax bill mailed out to property owners in June
- Property tax information is posted on the Town's website

CONCLUSION:

As approved by Council, staff has implemented various tax relief measures in response to the significant disruption caused by COVID-19, with the goal of assisting property owners with the payment of their 2020 taxes. Staff will continue to work with taxpayers severely impacted by the outbreak to negotiate repayment plans.

The establishment of tax rates and due dates ensures the timely collection of revenues so that the Town may meet its payment obligations to the Region of Halton and the Boards of Education and deliver needed services to the community as per Council's budget decisions.

Reviewed and Approved by,

A handwritten signature in black ink that reads "Jane Diamanti". The signature is written in a cursive style with a large initial 'J'.

Jane Diamanti, Commissioner of Corporate Services

A handwritten signature in black ink that reads "Brent Marshall". The signature is written in a cursive style with a large initial 'B'.

Brent Marshall, Chief Administrative Officer