



REPORT

REPORT TO: Mayor Bonnette and Members of Council

REPORT FROM: Kazi Khan, MBA
Property Tax Supervisor

DATE: November 02, 2020

REPORT NO.: CORPSERV-2020-0035

RE: 2021 Interim Tax Rates

RECOMMENDATION:

THAT Report No. CORPSERV-2020-0035 dated November 02, 2020, regarding the 2021 Interim Property Tax Levy be received;

AND FURTHER THAT a by-law be enacted authorizing Council to provide for an Interim Tax Levy for 2021;

AND FURTHER THAT taxes be due and payable on February 24 and April 28, 2021;

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 28, 2021.

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.

The interim levy for the year 2021 be set at 50% of the final taxes levied in 2020. The interim tax amount levied for all new roll numbers, which were not on the assessment roll the previous year, will be calculated based on 50% of the applicable tax rate for the previous year, multiplied by the assessment of the current year.

On August 11, 2020, the Board of Directors for the Downtown Georgetown Business Improvement Area (DGBIA) made a request that the BIA levy be reduced by 25% in the 2021 fiscal year due to COVID-19; a 12.5% reduction in February 2021 and another 12.5% reduction in April 2021. The shortfall due to the 25% reduction will be

replenished with reserve funds and won't have any negative impact on the BIA budget and operations.

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 offers five installments from January to May of 2021. These installments were included in the 2020 Final Tax Rate By-law.

The attached by-law also sets the 2021 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 and efficient 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 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 to ensure sufficient time to prepare the interim tax notices.

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 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 property tax levy by-law, the subsequent production of interim levy property taxes, and the interim property 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 property tax rates will permit the Town to collect interim property taxes.

Reviewed and Approved by,

A handwritten signature in dark ink, appearing to read "Wendy O'Donnell". The signature is fluid and cursive, with the first name "Wendy" being more prominent than the last name.

Wendy O'Donnell, Deputy Treasurer and Senior Manager of Revenue

A handwritten signature in dark ink, appearing to read "Chris Mills". The signature is stylized and cursive, with a large, sweeping initial "C" and "M".

Chris Mills, Acting Chief Administrative Officer