



**SUBJECT: 2019 Interim Tax Levy By-Law**

**TO: Committee of the Whole**

**FROM: Finance Department**

Report Number: F-43-18

Wards Affected: All

File Numbers: 415-02-01

Date to Committee: December 10, 2018

Date to Council: December 17, 2018

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**Recommendation:**

Approve by-law XX-2018 attached as Appendix A to finance department report F-43-18 which provides for the levy of the 2019 interim taxes.

**Purpose:**

An Engaging City

- Good Governance

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**Background and Discussion:**

The City bills property taxes twice a year; first at the beginning of the year with installment due dates in February and April. This is known as interim billing. The second billing, known as final billing, is completed upon the approval of the city and region's budgets and receipt of the education tax rates from the province. The final billing installment due dates are in the months of June and September. A by-law approved by Council is required for each of the billings.

By-law XX-2018, attached as Appendix A, provides for the levy of interim taxes for the 2019 taxation year as authorized under the *Municipal Act*, section 317.

## **Strategy/process**

The *Municipal Act*, section 317 requires that the interim levy not exceed 50 per cent of the total final taxes levied on a property for the previous year (including tax adjustments such as supplementary assessments and assessment appeals). The interim levy is calculated based on the assessments provided in December by the Municipal Property Assessment Corporation multiplied by 50% of the applicable notional tax rate (2018).

The reason for calculating interim taxes this way is as follows:

- The ability to bill (for interim purposes) new properties added to the assessment roll as there was no levy in 2018 (prior year).
- For properties with reassessment impacts, the entire impact is spread over the interim and final installments, rather than over the final installments. The final tax installments will include any budget increases by the City and Region for 2019 taxation.

At the time of writing this report, notional tax rates, used to raise approximately one-half of approved 2018 budgets, are not available as the City is not in receipt of the 2019 assessment roll from the Municipal Property Assessment Corporation. Once received, notional rates will be calculated to apply to the 2019 interim levy. The rates will restate the 2018 tax rate to an amount that when applied to the new assessment values will generate approximately one-half of the tax revenue as the approved 2018 budget.

Once approved by Council, Finance staff will generate the interim tax bills to be forwarded to property owners in order to meet the legislative time requirement for the initial interim tax due date.

The interim taxes will be due in two installments as follows:

February 22, 2019

April 23, 2019

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## **Financial Matters:**

The interim tax levy is required to provide the necessary cash flow to meet the obligations of the City including interim payments to the Region of Halton and the Boards of Education until the annual tax rate can be set and final billing is prepared in May of 2019.

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### **Public Engagement Matters:**

Interim tax bills will be mailed to property owners in January 2019. Advertisements will be placed in the local newspaper to remind taxpayers of the tax due dates.

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### **Conclusion:**

By-law XX-2018 provides for the interim taxes for 2019 taxation year as authorized under the authority of the *Municipal Act, 2001*.

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Respectfully submitted,

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### **Appendices:**

- A. Appendix A: By-law XX-2018, A By-law to Levy 2019 Interim Taxes and Establish Penalty and Interest Rates

### **Report Approval:**

All reports are reviewed and/or approved by Department Director, Director of Finance and Director of Legal. Final approval is by the City Manager.