



## **Staff Report for Committee of the Whole Meeting**

**Date of Meeting:** November 20, 2017

**Report Number:** SRCFS.17.047

**Department:** Corporate and Financial Services

**Division:** Financial Services

**Subject:** 2018 Interim Tax Levy

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### **Purpose:**

The purpose of this report is to establish a By-law to authorize the levying of interim tax amounts for 2018.

### **Recommendation(s):**

- a) That By-law 101-17 be adopted in the form of the draft attached to SRCFS.17.047 to authorize the levying of an interim tax amount for all rateable properties and to establish installment due dates.
- b) That staff be authorized to present future Interim Tax Levy By-law directly to Council without need of a prior staff report.

### **Contact Person:**

Cedric Stone, Manager Revenue Services, ext. 3627

### **Report Approval:**

**Submitted by:** Mary-Anne Dempster, Commissioner of Corporate and Financial Services

**Approved by:** Neil Garbe, Chief Administrative Officer

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), Town Solicitor (as required), Commissioner, and Chief Administrative Officer. Details of the reports approval are attached.

## **Background:**

Section 317 of the *Municipal Act, 2001*, provides for a municipality to levy an interim tax amount on all rateable property prior to the adoption of final budgets for each tax year. The maximum allowable interim levy is 50% of the prior year annualized taxes.

Interim tax levies for properties added to the assessment roll for 2018, which do not have prior year taxes, will be calculated using 50% of the notional tax rate for the class. The notional tax rate for the class is the rate at which the 2017 level of taxes would be raised when applied to the total assessment value on the last revised roll for the class. The notional rate is being used as most properties have new phase-in values for the 2018 tax year. Given that phase-in values are increasing, using 50% of the 2017 tax rate would result in interim amounts that exceed the 50% of tax rule. The notional tax rates will be calculated using data provided by MPAC once the year-end assessment roll analysis is finalized.

The installment due dates for the interim property tax levy should be set as follows:

Thursday, March 1, 2018	(2017 was Wednesday, March 1, 2017)
Tuesday, May 1, 2018	(2017 was Monday, May 1, 2017)

The *Municipal Act, 2001* has given the Treasurer the authority to apply a partial payment to an account in a manner different from the legislated payment application rules, upon the request of the taxpayer. Despite this flexibility it is recommended that all payments be applied on a consistent basis in order to ensure fair and consistent treatment for all taxpayers. Accordingly, the By-law speaks to consistent payment application rules.

The By-law also includes a provision to authorize the Treasurer to adjust the interim tax amount levy for the property if it is too high or low in relation to the estimated taxes for the year. This can occur when a property is severed for the current year thereby significantly reducing the returned assessment for that year. Levying 50% of the prior year taxes in these cases often results in the interim levy being much higher than 50% of the estimated taxes for the year.

## **Financial/Staffing/Other Implications:**

The interim levy is required to provide the necessary cash flow to meet the obligations of Richmond Hill including interim payments to the Region of York and School Boards until the tax rates can be set and the final tax notices prepared in June of 2018.

The Interim Levy By-law is presented each and every year, as per Section 317 of the *Municipal Act, 2001*, and is substantially the same as the previous year. We, therefore, request staff be authorized to present future Interim Tax Levy By-laws directly to Council without need of a prior staff report.

## **Relationship to the Strategic Plan:**

The report is required to meet the statutory obligations of Richmond Hill under the *Municipal Act, 2001*. The interim billing of property tax accounts in a timely manner and with clear application of procedures meets the Strategic Plan goal of Wise Management of Resources through the commitment to maintain sound fiscal management.

## **Conclusion:**

In order to provide the necessary cash flow requirements for Richmond Hill, Region and School Boards, the interim tax levy should be calculated, billed and collected as set out in this report. Also, the Interim Levy By-law be presented each and every year directly to Council without need of a prior staff report.

## **Attachments:**

The following attached documents may include scanned images of appendixes, maps and photographs. If you require an alternative format please call contact person listed in this document.

- Attachment A – Draft By-law No. 101-17

### **Report Approval Details**

Document Title:	SRCFS.17047.docx
Attachments:	- 101-17 2018 Interim Tax Levy By-law.doc
Final Approval Date:	Nov 6, 2017

This report and all of its attachments were approved and signed as outlined below:

#### **No Signature found**

**Cedric Stone - Nov 1, 2017 - 3:18 PM**

**David Dexter - Nov 1, 2017 - 4:05 PM**

**Mary-Anne Dempster - Nov 5, 2017 - 4:09 PM**

**Neil Garbe - Nov 6, 2017 - 1:37 PM**