



Staff Report for Committee of the Whole Meeting

Date of Meeting: June 4, 2019
Report Number: SRCFS.19.023

Department: Corporate and Financial Services
Division: Financial Services

Subject: **SRCFS.19.023 Final Levy By-law and Tax Rates**

Purpose:

The purpose of this report is to adopt tax rates for the 2019 tax levies and to authorize the billing and collection of taxes, special assessments and fees. This report also sets the tax installment due dates for both residential and non-residential properties.

Recommendation(s):

- a) That By-law No. 67-19 be enacted in the form of the draft By-law attached to SRCFS.19.023 to establish and adopt tax rates for 2019 on the assessment in each property class;
- b) That the billing and collection of taxes, special assessments, defaulted fines and fees including the tax installment due dates for residential and non-residential properties be authorized, and
- c) That the Mayor and Clerk be authorized to execute an agreement with the Regional Municipality of York with respect to the addition of defaulted fines for the Provincial Offences Act, to the tax roll, upon the recommendation of the Treasurer.

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, City Manager

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

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Background:

Richmond Hill must establish its tax rates through a By-law, on an annual basis, to raise the requisite levy set out in the approved budget. The total levy, for Richmond Hill purposes, to be raised by the tax rates is \$118,187,440. This total levy includes \$4,231,600 of the total levy which will be used specifically for Capital Asset Sustainability.

Council is only responsible for establishing the tax rates for Richmond Hill tax levies. These rates are set out in Schedule 1 of draft By-law 67-19 attached as Appendix A. The calculations for Richmond Hill tax rates are based on Richmond Hill's levy requirements. Tax ratios and percent reductions for prescribed classes are established by the Region of York and Ontario Regulations 387/98 and 392/98 as amended for Railway Rights of Way and Electrical Corridors. Tax rates have been established for all property tax classes and subclasses for which Richmond Hill currently has assessment.

Tax Due Dates

The administration of Municipal Act, 2001, Section 329 has made it necessary to separate tax billings for residential and non-residential properties. The residential bills will be issued in late June in accordance with the usual practice. The bills for non-residential properties will be issued in August. The installment due dates for 2019 are proposed as follows:

Residential, Farmland, Managed Forest, Pipelines August 1, 2019 and October 1, 2019

Multi-residential, Commercial, and Industrial October 1, 2019 and November 1, 2019

Region and School Board Taxes

The Region of York 2019 Tax Rate By-law provides for upper tier tax rates representing a 3.96% tax levy increase, including a contribution of 1% to a new Roads Capital Acceleration Reserve. The tax rate change from the prior year reflects the budget requirement and offsets the impact of phase-in reassessment.

Ontario Regulation 400/98 as amended under the Education Act prescribes the education tax rates representing a 0% tax levy increase. The tax rate change from the prior year reflects the budget requirement and offsets the impact of phase-in reassessment.

For your reference, a schedule including City, Region and School Board rates has been included in Appendix B.

Special Assessment and Fees

There are no new local improvement projects scheduled for billing in 2019. Tax Rate By-law No. 67-19 provides the necessary authorization to add the local improvement special assessment annual charges for all local improvement projects, including those approved in past years, to the final property tax bills of the applicable properties.

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Tax Rate By-law No. 67-19 provides the necessary authorization to add the Capital Asset Sustainability Fee to the final property tax bill of each property as a percentage of the City Levy.

Tax Rate By-law No 67-19 does not provide for a 2019 BIA levy. The portion of the BIA levy on the 2019 interim property tax bills issued in January 2019, will be reversed on the 2019 final property tax bills

Inter-Municipal Provincial Offences Act Fine Collection Agreement

Section 441.1 of the Municipal Act, 2001, allows for the collection of Provincial Offences Act (POA) defaulted fines using the property tax roll. The Regional Municipality of York is partnering with local municipalities through an Inter-Municipal POA Agreement process. Six of the nine local municipalities in York Region have executed the agreement. An Inter-Municipal POA Agreement process will improve collection of unpaid POA fines through the addition of fine amounts owing in one municipality to the tax roll in another municipality where the POA offender owns property. The Agreement provides a framework to:

- Identify outstanding defaulted POA fine amounts;
- Confirm an exact match between a property owner and the resident company owing a POA fine;
- Add the POA fine amount to the tax roll in the municipality in which the offender owns a property and collect such amounts;
- Enable the municipality collecting the fine to apply administrative fees associated with the recovery of the fine to the tax roll and retain these fees;
- Remit POA fine amounts to the municipality that they are owed.

Adding Unpaid Administrative Penalties to the Tax Roll:

Council at its meeting of February 11, 2019 approved the expansion of AMPS to delegated community standards and licensing by-laws. This expansion results in a need for efficient and effective collection of unpaid administrative penalties and administrative fees. Section 434.2(1) of the Municipal Act allows the treasurer of a local municipality to add an unpaid administrative penalty to the tax roll of any property in the local municipality for which all of the owners are responsible for paying the administrative penalty, and collect it in the same manner as municipal taxes.

Tax Rate By-law No. 67-19 provides the necessary authorization to add defaulted fines issued through Richmond Hill's Administrative Monetary Penalty System (AMPS) to the property tax roll where the debtor is the sole owner of the property. The Tariff of Fees By-Law provides the necessary authorization to add an administrative fee to the tax roll for purpose of adding a default fine.

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Financial/Staffing/Other Implications:

Tax Rate By-law must be established to set a tax rate and installment dates for Richmond Hill for each assessment class for the purpose of raising the local municipal levy and Capital Sustainability Special Levy as approved in the 2019 Operating Budget.

Inter-municipal agreements offer the opportunity for municipalities to improve the collection of defaulted POA fines through the addition of fine amounts owing to the tax rolls of Ontario municipalities. In addition to improved collections of the City's own POA fines, additional revenue will be earned from administration fees and interest charges related to the addition of other Ontario municipalities' POA fines to the City's tax roll.

Adding unpaid AMPS administrative penalties to property owner's tax roll provides a viable fine collection option that will increase the effectiveness of AMPS .

Relationship to the Strategic Plan:

The report is required to meet the statutory obligations of Richmond Hill under the Municipal Act, 2001. The final 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:

Tax Rate By-law No. 67-19 is required to set the 2019 tax rates for Richmond Hill and to authorize the issuance of the 2019 final bills. It is also required to set the due dates for the tax installments, add defaulted fines to the tax roll and to specify how penalties and interest will be applied to late payments.

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.

- Appendix A – 2019 Tax Rate By-law No. 67-19
- Appendix B – Summary of 2019 Tax Rates

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Report Approval Details

Document Title:	SRCFS.19.023 - 2019 Final Levy By-law and Rates.docx
Attachments:	- SRCFS.19.023 Appendix A - 2019 Final Levy By-law 67-19 and Tax Rates revised.pdf - SRCFS.19.023 Appendix B - Summary of 2019 Tax Rates.pdf
Final Approval Date:	May 23, 2019

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

David Dexter - May 23, 2019 - 2:33 PM

MaryAnne Dempster - May 23, 2019 - 3:23 PM

Neil Garbe - May 23, 2019 - 4:27 PM