



Staff Report for Committee of the Whole Meeting

Date of Meeting: May 29, 2024

Report Number: SRCFS.24.009

Department: Corporate and Financial Services

Division: Financial Services

Subject: **SRCFS.24.009 - 2024 Final Levy By-Law and Tax Rates**

Purpose:

The purpose of this report is to adopt tax rates for the 2024 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 39-24 be enacted in the form of the draft By-law attached to SRCFS.24.009 to establish and adopt tax rates for 2024 on the assessment in each property class, and
- 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.

Contact Person:

Michael Lam, Manager, Revenue Billing, ext. 6493

Gigi Li, Director Financial Services and Treasurer, ext. 6435

Report Approval:

Submitted by: Sherry Adams, Commissioner of Corporate and Financial Services

Approved by: Darlene Joslin, 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 \$144,702,300. This total levy includes \$10,902,100 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 39-24 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 June in accordance with the usual practice. The bills for non-residential properties will be issued in August. The installment due dates for 2024 are proposed as follows:

Residential, Farmland, Managed Forest, Pipelines August 1, 2024, and October 1, 2024.

Multi-residential, Commercial, and Industrial October 1, 2024, and November 1, 2024.

Region and School Board Taxes

The Region of York 2024 Tax Rate By-law provides for upper tier tax rates representing a 3.75% tax levy increase. The tax rate change from the prior year reflects the budget requirement and offsets the impact of assessment growth and phase-in reassessment if applicable.

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

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

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Special Assessment and Fees

There are no new local improvement projects scheduled for billing in 2024.

The tax rate By-law No.39-24 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.

Tax Rate By-law No. 39-24 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. 39-24 provides the necessary authorization to add the Business Improvement Area (BIA) levy, to the final property tax bill of the applicable properties.

Annual Levy on Public Hospital

The Municipal Act, 2001; Section 323 states that Richmond Hill must establish an annual amount through a By-law, on an annual basis, to be paid on or after July 1st by Mackenzie Health, as designated by the Minister of Health and Long-Term Care. This amount is not to exceed the prescribed amount for each provincially rated bed in the facility.

2024 York Region Update – New multi-residential subclass

A new optional subclass within the New Multi-Residential property class was announced in the 2024 Ontario Budget to provide municipalities with the flexibility to offer a reduced municipal property tax rate on eligible new multi-residential rental properties. This new optional class will be included at the Region's property tax policy report and tax rate by-law, which will be presented at Regional Council on May 23, 2024. One of the key recommendations is to adopt a new multi-residential subclass with an initial discount of 0% for the 2024 taxation year. Further discussion and consultation with Regional staff will be held throughout 2024 to determine the financial impact of the subclass reduction for 2025. Given that the discount factor for 2024 is 0%, the introduction of this new subclass does not carry a financial impact for the 2024 tax year.

Financial/Staffing/Other Implications:

The 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 as approved in the 2024 Operating Budget.

Relationship to 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 supports the financial requirements of the Region of York, the School Boards, and the City, and relates to Pillar 3, Strengthening our Foundations. Specifically, Priority 1,

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prioritize ongoing operational sustainability, including advocating to other levels of government to create sustainable, accountable relationships and to work collectively toward a municipal revenue model to meet modern-day mandates and expectations of local government.

Climate Change Considerations:

Climate change considerations are not applicable to this staff report.

Conclusion:

This By-law No. 39-24 is required to set the 2024 tax rates for Richmond Hill and to authorize the issuance of the 2024 final bills. It is also required to set the due dates for the tax installments 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. All attachments have been reviewed and made accessible. If you require an alternative format please call the contact person listed in this document.

- Appendix A - 2024 Tax Rate By-law 39-24
- Appendix B - Summary of 2024 Tax Rates

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Report Approval Details

Document Title:	SRCFS.24.009 - 2024 Final Levy Bylaw and Tax Rates.docx
Attachments:	- SRCFS.24.009 - Appendix A - Bylaw 39-24 Final Levy Bylaw and Tax Rates.docx - SRCFS.24.009 - Appendix B - Summary of 2024 Tax Rates.pdf
Final Approval Date:	May 19, 2024

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

Gigi Li - May 17, 2024 - 10:33 AM

Sherry Adams - May 17, 2024 - 12:14 PM

Darlene Joslin - May 19, 2024 - 5:30 PM