

Committee of the Whole (1) Report

DATE: Tuesday, January 23, 2024

WARD(S): ALL

TITLE: INTERIM PROPERTY TAX LEVY FOR 2024 – ALL WARDS

FROM:

Michael Coroneos, Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer

ACTION: DECISION

Purpose

This report is to obtain Council’s approval to issue the interim property tax bills for 2024 to all property classes including those enrolled in the Pre-Authorized Payment (“PTP”) monthly plan, under the authority of section 317 of the *Municipal Act, 2001*, as amended.

Report Highlights

- The issuance of an interim property tax levy provides the necessary cash flow to meet the City’s own needs and its financial obligations to the Region of York and the Province of Ontario.
- These interim funds are raised for the City, the Region of York and all school boards for education and operational purposes.
- The interim levy will produce a total property tax revenue of approximately \$479 million based on taxable assessment of just over approximately \$112 billion.

Recommendations

1. THAT Council provide approval to levy interim property taxes for 2024 for all classes of properties with three instalments due in March, April and May;
2. THAT Council provide approval for 2024 interim property taxes to be levied for all classes of properties enrolled under the PTP ten-monthly plan, starting March 1st, as applicable; and
3. THAT the City pass a by-law confirming the above recommendations.

Background

The issuance of an interim property tax levy provides funds for the City to meet day-to-day operating and capital financial obligations.

The Interim levy can be paid in three instalments due March, April and May. These can be paid by cheque (current and postdated), debit at City Hall, through bank and telephone on-line options. Taxpayers also have the option to enroll in the PTP instalment due date payment plan or the ten-month PTP instalment plan. The withdrawals for the due date payment plan will be made on the Interim billings' instalment due date and the withdrawals for the 10-month plan will be made on the first banking day of each month from March to December. There will not be any instalments in January or February for this billing and these payment plans.

Previous Reports/Authority

[Interim Property Tax Levy for 2023 – All Wards](#)
[By-Law 002-2023](#)

Analysis and Options

In accordance with current Provincial legislation, the interim amount levied by property is subject to the following rules:

1. The amount levied on a property shall not exceed 50% of the total taxes levied on the property for the previous year, subject to an adjustment, as per Section 317(9), should it appear the levy would be too high or too low in relation to an estimate of the total taxes that will be levied for 2024.
2. 50% of the 2023 tax rate will be applied to the 2024 assessment to calculate the levy.
3. For the purpose of calculating the total amount of taxes for the previous year, any amount levied for only part of the year will be annualized.
4. For new property assessments added to the roll for the 2024 taxation year, the levy will be calculated by applying 50% of the 2023 tax rate to the 2024 assessment.
5. The interim levy for properties in the commercial, industrial, and multi-residential classes (non-residential, capped classes) will include an amount equal to 50% of the 2023 capping adjustment, if applicable.

The 2024 final tax billing will also be calculated utilizing the assessment values as provided by the Municipal Property Assessment Corporation (MPAC) at year end. As started in 2023, all non-residential tax bills will be completed, mailed and due at the same time as the residential bills. The final billing will be issued in June and will be due in July, August, and September. Corporate Communications will continue to issue

several PSAs over the year communicating the mailing of the billings and payment options available to the property owner.

Financial Impact

The issuance of an interim property tax levy provides the necessary cash flow to meet the City's own needs and its financial obligations to the Region of York and the Province of Ontario for education purposes. The interim levy will produce total property tax revenue (City, Region and Education) of approximately \$479 million based on taxable assessment of approximately \$112 billion.

Operational Impact

Staff from all affected departments (Financial Services, Financial Planning and Development Finance, Corporate Services) have reviewed and provided input for this report.

Broader Regional Impacts/Considerations

The City of Vaughan will be collecting an amount of approximately \$206 million in interim property taxes on behalf of the Region of York.

Conclusion

The interim levy will produce total property tax revenue of approximately \$479 million based on taxable assessment of approximately \$112 billion. These interim funds are raised for the City's, Region of York's and School Boards' operational purposes.

For more information, please contact:

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Attachments

None

Prepared by

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Approved by



Michael Coroneos
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Reviewed by



Nick Spensieri, City Manager