

Item:



Finance, Administration and Audit Committee Report

DATE: Monday, January 21, 2019

WARD(S): ALL

TITLE: INTERIM PROPERTY TAX LEVY FOR 2019 – ALL WARDS

FROM:

Michael Coroneos, Chief Financial Officer and City Treasurer

ACTION: DECISION

Purpose

To inform Council on the issuance of the interim property tax bills for 2019, with three instalments due in March, April and May for all property classes.

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 for education purposes
- The interim levy will produce total property tax revenue of approximately \$420 million based on taxable assessment of approximately \$102 billion
- These interim funds are raised for the City, the Region of York and all school boards for operational purposes.

Recommendations

1. That a by-law be prepared to levy interim property taxes for 2019, with three instalments due in March, April and May for all property classes.

Background

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

As noted above, the Interim levy can be paid in three equal instalments due March, April and May. Further, taxpayers have the option to enroll in the Pre-Authorized instalment due date payment plan for interim and final billing or the eleven-month instalment plan. The withdrawals for the due date payment plan will be made on the Interim billings' instalment due dates and the withdrawals for the eleven-month plan will be made on the first banking day of each month from January to November.

Previous Reports/Authority

N/A

Analysis and Options

The Interim billing will be calculated utilizing the 2019 phase-in assessment roll as provided by the Municipal Property Assessment Corporation (MPAC).

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 2019.
2. A calculated notional tax rate applied to the 2019 assessment will be used 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 2019 taxation year, the levy will be calculated by applying the notional tax rate to the 2019 phased-in assessment.
5. The interim levy for properties in the commercial, industrial and multi-residential classes (capped classes) will include an amount equal to 50% of the 2018 capping adjustment, if applicable.

The 2019 final tax billing will also be calculated utilizing the assessment values as provided by the Municipal Property Assessment Corporation (MPAC). The final billing will be issued in June and will be due in July, August, September (Residential); August, September, October (non-residential).

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 of approximately \$420 million based on taxable assessment of approximately \$102 billion.

Broader Regional Impacts/Considerations

The City of Vaughan will be collecting an amount of approximately \$168 million in interim property taxes on behalf of the Region of York.

Conclusion

The interim levy will produce total property tax revenue of approximately \$420 million based on taxable assessment of approximately \$102 billion. These interim funds are raised for the City's, Region of York's and School Boards' operational purposes.

For more information, please contact: Maureen Zabiuk, Manager, Property Tax & Assessment; Dean Ferraro, Director of Financial Services/Deputy Treasurer

Attachments

N/A

Prepared by

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