

Committee of the Whole (2) Report

DATE: Tuesday, November 9, 2021

WARD(S): ALL

TITLE: 2022 INTERIM PROPERTY TAX LEVY FOR PRE-AUTHORIZED
PAYMENT PLAN ACCOUNTS – 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 2022 interim property tax levy for all properties enrolled in the Pre-Authorized Payment ("PTP") 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.
- Due to the update to the new property tax software, TXM Tax Manager, the City needs to now enact two interim levy by-laws. This one is for the City's 11-month PTP plan starting January 1st, 2022 for all properties included in the program. In order to adhere to the legislated notification period, the 2022 interim tax bills for these properties must be issued by December 2021 and a by-law enacted within the same period.

Recommendations

1. THAT Council provide approval for 2022 interim property taxes to be levied for all classes of properties enrolled under the PTP plan, starting January 1st, as applicable.
2. THAT the City pass a by-law confirming the above recommendation.

Background

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

Due to the functionality of the new property tax software, TXM Tax Manager ("TXM"), the City needs to enact two interim levy by-laws. The first by-law, which is the subject of this report, is for taxpayers making payment through the City's 11-month PTP plan starting January 1st, 2022 for all properties. The second by-law is for those taxpayers paying by an alternate method where the levy can be paid in three instalments due in March, April and May of 2022 and this by-law will be issued in January 2022.

The Tax office must now run the Interim billing process prior to 2022 and calculate the instalments, starting January 1st, for accounts on PTP. The 2022 interim tax bills for these properties must be issued by December 2021 and a by-law enacted within the same period in order to adhere to the legislated notification period.

The withdrawals for the 11-month PTP plan will be made on the first business banking day of each month from January to November 2022.

Previous Reports/Authority

Not Applicable.

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 2022.
2. 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.
3. 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 2021 capping adjustment, if applicable.

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.

Broader Regional Impacts/Considerations

The City of Vaughan will be collecting an amount of approximately \$188 million in interim property taxes on behalf of the Region of York once both billings (PTP and regular instalment) are complete.

Conclusion

A 2022 interim levy is required for the City to meet its financial obligations to the Region of York and the Province of Ontario for education purposes. The 2022 interim levy for those properties subject to an agreement under the City's PTP plan will be calculated pursuant to Section 317 of the *Municipal Act, 2001*, to be 50% of the annualized taxes levied on the property in the previous year.

For more information, please contact:

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Dean Ferraro, Director of Financial Services/Deputy Treasurer

Attachments

No Attachments

Prepared by

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Approved by



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