

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JANUARY 25, 2022

Item 1, Report No. 1, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on January 25, 2022.

1. INTERIM PROPERTY TAX LEVY FOR 2022 – ALL WARDS

The Committee of the Whole recommends approval of the recommendations contained in the report of the Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer dated January 18, 2022:

Recommendations

1. THAT Council approve the levy of interim property taxes for 2022 for all classes of properties not enrolled under the PTP monthly plan with three instalments due in March, April and May; and
2. THAT the City pass a by-law confirming the above recommendation.

Committee of the Whole (1) Report

DATE: Tuesday, January 18, 2022

WARD(S): ALL

TITLE: INTERIM PROPERTY TAX LEVY FOR 2022 – ALL WARDS

FROM:

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

ACTION: DECISION

Purpose

To obtain Council's approval to issue interim property tax bills for 2022 to all property classes not 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 \$455 million based on taxable assessment of approximately \$109 billion.

Recommendations

1. THAT Council approve the levy of interim property taxes for 2022, for all classes of properties not enrolled under the PTP monthly plan, with three instalments due in March, April and May; and
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, passed in November 2022, was for taxpayers making payment through the City’s 11-month PTP plan starting January 1st, 2022 for all properties. The second by-law, which is the subject of this report, 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.

Previous Reports/Authority

Non 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. 50% of the 2021 tax rate will be applied to the 2022 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 2022 taxation year, the levy will be calculated by applying 50% of the 2021 tax rate to the 2022 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 2021 capping adjustment, if applicable.

The 2022 final tax billing will also be calculated utilizing the assessment values as provided by the Municipal Property Assessment Corporation (MPAC) at year end. Starting in 2022, the 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 be asked to issue a number of PSAs over the year noting the change of the Final billing instalments for the non-residential 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 \$455 million based on taxable assessment of approximately \$109 billion.

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.

Conclusion

The interim levy will produce total property tax revenue of approximately \$455 million based on taxable assessment of approximately \$109 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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Dean Ferraro, Director of Financial Services/Deputy Treasurer

Attachments

None.

Prepared by

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Approved by



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

Reviewed by



Nick Spensieri, City Manager