



Staff Report

Finance and IT Services

Report To: Committee of the Whole
Meeting Date: January 16, 2019
Report Number: FAF.19.001
Subject: Interim Levy By-law Update
Prepared by: Ruth Prince, Director of Finance and IT Services

A. Recommendations

THAT Council receive Staff Report FAF.19.001, entitled "Interim Levy By-law Update" for information purposes;

AND THAT Council approve the By-law to levy amounts on the assessment of property in the local municipality rateable for local municipality purposes as per the Municipal Act, 2001, S.O. 2001, c. 25, s. 317

B. Overview

To obtain Council's approval for a By-law to levy, on all rateable properties, an interim tax levy based on 50% of the total amount of taxes levied on the property in 2018.

C. Background

The Municipal Act, Section 317, allows a municipality to levy, on all rateable properties, an interim tax levy. The amount levied on a property shall not exceed 50% of the total amount of taxes for municipal and school purposes levied on the property for the previous year.

To enable the Town to bill and collect the 2019 interim tax levy, Council approval of the 2019 Interim Tax Billing By-law is required.

D. Analysis

In February 2019, staff will commence the billing process for 2019 interim taxes. To be consistent with prior years, the instalment due dates for the interim levy for property taxes should be set as March 28, 2019 and May 28, 2019.

The Town offers two separate automatic withdrawal payment programs:

1. Monthly Plan – The withdrawals are spread out over a ten month period on the first business day commencing January 1 to October 1; and
2. Due Date Plan – The withdrawals occur on each of the four regularly scheduled instalment due dates (March, May, August, October).

The attached By-law also sets the 2019 interest and penalty rate of 1.25% per month which is the maximum rate permitted under the Municipal Act, 2001, S.O. 2001, c. 25 s. 345.

E. The Blue Mountains Strategic Plan

Goal #4: Promote a Culture of Organizational and Operational Excellence
Objective #4: To Be a Financially Responsible Organization

F. Environmental Impacts

None.

G. Financial Impact

The interim levy is required to provide the necessary cash flow to meet the obligations of the Town including interim payments to the County of Grey and the School Boards until the annual tax rate can be set and final notices prepared in July 2019. The interim levy for 2018 raised \$19,526,572, of which \$7,784,918 million is the Towns share (including local improvements and BIA).

H. In consultation with

Kris Couture, Tax Collector

I. Public Engagement

The topic of this Staff Report has not been subject to a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. Comments regarding this report should be submitted to Ruth Prince, Director of Finance and IT Services at directorfit@thebluemountains.ca

J. Attached

1. 2019 Interim Tax Billing By-law

Respectfully Submitted,

Ruth Prince
Director of Finance and IT Services

For more information, please contact:

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The Corporation of The Town of The Blue Mountains

By-law Number 2019 –

Being a By-law to levy amounts on the assessment of property rateable for local municipality purposes, and to further provide for percentage charge and interest charge in default of payment thereof

Whereas Section 317 of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended (the Act) authorizes a local municipality, before the adoption of the estimates for the year under Section 290, to pass a By-law levying amounts on the assessment of property in the local municipality rateable for local municipality purposes;

And Whereas the amount levied on a property shall not exceed the prescribed percentage, or 50 per cent if no percentage is prescribed, of the total amount of taxes for municipal and school purposes levied on the property for the previous year;

And Whereas the percentage established in the previous recital may be different for different property classes but shall be the same for all properties in a property class;

And Whereas for the purposes of calculating the total amount of taxes for the previous year, if any taxes for municipal and school purposes were levied on a property for only part of the previous year because assessment was added to the tax roll during the year, an amount shall be added equal to the additional taxes that would have been levied on the property if the taxes for municipal and school purposes had been levied for the entire year;

And Whereas Section 342 of the Act authorizes a municipality to provide for the payment of taxes in one amount or by instalments and the date or dates in the year for which the taxes are imposed on which the taxes or instalments are due;

And Whereas Section 342 of the Act authorizes a local municipality to provide for alternative instalments and due dates in the year for which the taxes are imposed other than those established under the previous recital to allow taxpayers to spread the payment of taxes more evenly over the year;

And Whereas Section 345 of the Act authorizes a local municipality to impose late payment charges for the non-payment of taxes or any instalment by the due date;

Now Therefore the Council of The Corporation of the Town of The Blue Mountains hereby enacts as follows:

- 1) That there shall be levied an amount on the assessment of all properties rateable for local municipality purposes an interim levy based on 50% of the total amount of taxes for municipal and school purposes levied on the property for 2018, as adjusted.
- 2) That the taxes imposed by this By-law shall be paid in two instalments upon the following dates:
 - One-half thereof on the 28th day of March, 2019; and
 - One-half thereof on the 28th day of May, 2019.
- 3) That an amount levied under this By-law on a property in a year shall be deducted from any subsequent amounts levied on the property for the year that are payable to the local municipality.
- 4) That alternative instalments and due dates in the year for which the taxes are imposed other than those established under clause 2 are:
 - One tenth of the total amount of taxes for municipal and school purposes levied on the property for the previous year due on the first day of each of the months January

through August inclusive; and

- The total amount of taxes finally levied for the current year less the total of all instalments paid from January to August, due in two equal instalments on the first day of September and October.
- 5) That the Treasurer shall send a tax bill to every assessed property owner, at least 21 days before any taxes shown on the tax bill are due. The tax bill will be sent to the assessed property owner's residence or place of business or to the premises in respect of which the taxes are payable, unless the taxpayer directs the treasurer in writing to send the bill to another address, in which case it shall be sent to that address.
 - 6) That a percentage charge of 1.25 per cent of the amount of taxes due and unpaid shall be imposed as a penalty for the non-payment of taxes on the first day of the month following the date the taxes were due.
 - 7) That interest charges in the amount of 1.25 per cent each month of the amount of taxes due and unpaid, shall be imposed on the amount of taxes due and unpaid on the first day of each and every month the default continues.
 - 8) That all taxes shall be paid into the Office of the Treasurer, Thornbury, Ontario, or through financial institutions to the credit of the Treasurer of the Town of The Blue Mountains.
 - 9) That if an article of this By-law is for any reason held to be invalid, the remaining articles shall remain in effect until repealed.

And further, that this By-law shall come into force and effect for the year commencing January 1, 2019.

Enacted and passed on this 28th day of January, 2019.

Alar Soever, Mayor

Corrina Giles, Clerk