



Subject: 2022 Interim Tax Billing
To: Council
From: Corporate Services Department

Report Number: 2021-280

Meeting Date: November 8, 2021

Recommendation:

That Corporate Services Department Report 2021-280 be received; and

That the draft by-law attached as Appendix A to Corporate Services Department Report 2021-280 be adopted to authorize the 2022 interim levy of taxes for all property tax classes, from the last revised assessment roll, before the adoption of the estimates for the year and final levy rates are established.

Purpose:

The purpose of this report is to recommend that Council adopt an Interim Levy By-law to issue an interim tax bill in accordance with Section 317(1) of the *Municipal Act*, S.O. 2001, as amended, for the purpose of providing cash flow to meet expenditures prior to the adoption of the budget estimates and until final tax rates are provided.

Background:

The levy of interim taxes is legislated under the *Municipal Act*, S.O., 2001. Council has passed an Interim Levy By-law every year at 50% of the prior year's taxes on each property.

Discussion:

When the 2021 Assessment Roll for the 2022 taxation year is received, Corporate Services staff will verify and balance this Roll in preparation of a Collector's Roll for this billing. Each tax account is updated using the new Assessment Roll.

The interim tax bill will be calculated for all property tax classes in accordance with Section 317(3) of the *Municipal Act*, S.O. 2001, as amended. The interim levy calculation cannot exceed 50% of the 2021 final levy, as adjusted.

The interim tax bill for all property tax classes will be mailed by February 7, 2022, with due dates of February 28 and April 29, 2022. These due dates are determined based on the last working day of the respective month. The due dates are within the twenty-one (21) days of the mailing date, in accordance with Section 343(1) of the *Municipal Act*.

In 2022, staff are suggesting Council consider July 15 and September 29, 2022 as the due dates for the final tax bill. The proposed July date will allow staff to manage workloads between the third instalment and Canal Days. The September date is proposed to move from the 30th which became Truth and Reconciliation day in 2021. The final tax due dates will be finalized when the 2022 municipal tax rates are set following the Niagara Region completing their budget process and tax policy work, including finalizing property tax ratios.

Internal Consultations:

Internally, the timing of cash flows to meet expenditure requirements has been discussed through the development of the 2022 Capital and Levy Budgets.

Financial Implications:

If Council adopts the proposed Interim Levy By-law (as in prior years) to issue an interim tax bill in accordance with Section 317(1) of the *Municipal Act*, S.O. 2001, as amended, for the purpose of providing cash flow to meet expenditures requirements there are no financial implications.

Alternatively, should Council not pass the proposed Interim Levy By-law, the municipality will incur increased borrowing costs and will require a larger temporary borrowing limit as property taxpayers would only be issued one final tax bill later in the year.

Strategic Plan Alignment:

The initiative contained within this report supports the following pillar(s) of the strategic plan:

- Value: Financial Management to Achieve Financial Sustainability
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Conclusion:

Staff recommend Council approve the proposed interim tax billing outlined in this report.

Appendices:

- a. Draft Interim Tax Levy By-law for the year 2022

Respectfully submitted,

Adam Pigeau, CPA, CA
Manager, Financial Services/Deputy Treasurer
905-835-2900 Ext. 101
adam.pigeau@portcolborne.ca

Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.