



Subject: 2023 Interim Tax Billing
To: Council
From: Corporate Services Department

Report Number: 2022-242

Meeting Date: December 13, 2022

Recommendation:

That Corporate Services Department Report 2022-242 be received; and

That the draft by-law attached as Appendix A to Corporate Services Department Report 2022-242 be adopted to authorize the 2023 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 2022 Assessment Roll for the 2023 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 2022 final levy, as adjusted.

The interim tax bill for all property tax classes will be mailed by February 7, 2023, with due dates of February 28 and April 28, 2023. 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 2023, staff are suggesting Council consider July 17 and September 28, 2023 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 2023 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 2023 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
-

Conclusion:

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

Appendices: (If none delete section)

- a. Draft By-law Interim Tax Levy for the year 2023

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.