

10. 2018 INTERIM PROPERTY TAXES AND DUE DATES

IMPÔTS FONCIERS PROVISOIRES POUR 2018 ET ÉCHÉANCES

**COMMITTEE RECOMMENDATIONS**

**That Council approve:**

- 1. That the 2018 interim property tax billing be set at 50% of the 2017 Adjusted/Annualized Taxes as permitted by legislation;**
- 2. That the following tax due dates be approved for 2018:**
  - i. Interim: March 15, 2018**
  - ii. Final: June 21, 2018;**
- 3. That the penalty and interest percentage charge on overdue and unpaid tax arrears remain at the rate of 1.25% per month (15% per year) unchanged from 2017; and**
- 4. That Council enact a by-law in the form attached as Document 1 to establish the 2018 interim taxes, tax due dates, penalty and interest charges.**

**RECOMMANDATIONS DU COMITÉ**

**Que le Conseil approuve :**

- 1. Que la facture provisoire des taxes foncières pour 2018 soit établie à 50% de la taxation annuelle/rajustés de 2017, comme l'autorise la loi ;**
- 2. Que les dates d'échéance des impôts suivantes soient approuvées pour 2018 :**
  - i. Provisoire: le 15 mars 2018**
  - ii. Finale: le 21 juin 2018;**

- 3. Que le taux de pénalité et d'intérêt facturé sur les impôts impayés et les arriérés d'impôts demeure au taux de 1,25% par mois (15% par année), inchangé par rapport à 2017; et**
- 4. Que le Conseil adopte un règlement sous la forme présentée au Document 1 ci-joint, visant à établir les taxes provisoires 2018, les échéances pour l'impôt, les amendes et les frais d'intérêt.**

**DOCUMENTATION/DOCUMENTATION**

1. Deputy City Treasurer's report, Revenue Services dated 16 October 2017 (ACS2017-CSD-REV-0009)

Rapport de la Trésorière municipale adjointe, Services des recettes daté le 16 octobre 2017 (ACS2017-CSD-REV-0009)

**Report to  
Rapport au:**

**Finance and Economic Development Committee  
Comité des finances et du développement économique  
7 November 2017 / 7 novembre 2017**

**and Council  
et au Conseil  
22 November 2017 / 22 novembre 2017**

**Submitted on October 16, 2017  
Soumis le 16 octobre 2017**

**Submitted by  
Soumis par:  
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municipale adjointe, Services des recettes**

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**Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE      File Number: ACS2017-CSD-REV-0009**

**SUBJECT: 2018 INTERIM PROPERTY TAXES AND DUE DATES**

**OBJET: IMPÔTS FONCIERS PROVISOIRES POUR 2018 ET ÉCHÉANCES**

## **REPORT RECOMMENDATIONS**

**That the Finance and Economic Development Committee recommend Council approve:**

- 1. That the 2018 interim property tax billing be set at 50% of the 2017 Adjusted/Annualized Taxes as permitted by legislation;**
- 2. That the following tax due dates be approved for 2018:**
  - iii. Interim: March 15, 2018**
  - iv. Final: June 21, 2018;**
- 3. That the penalty and interest percentage charge on overdue and unpaid tax arrears remain at the rate of 1.25% per month (15% per year) unchanged from 2017; and**
- 4. That Council enact a by-law in the form attached as Document 1 to establish the 2018 interim taxes, tax due dates, penalty and interest charges.**

## **RECOMMANDATIONS DU RAPPORT**

**Que le Comité des finances et du développement économique recommande au Conseil d'approuver :**

- 1. Que la facture provisoire des taxes foncières pour 2018 soit établie à 50% de la taxation annuelle/rajustés de 2017, comme l'autorise la loi ;**
- 2. Que les dates d'échéance des impôts suivantes soient approuvées pour 2018 :**
  - iii. Provisoire: le 15 mars 2018**
  - iv. Finale: le 21 juin 2018;**
- 3. Que le taux de pénalité et d'intérêt facturé sur les impôts impayés et les arriérés d'impôts demeure au taux de 1,25% par mois (15% par année), inchangé par rapport à 2017; et**

4. **Que le Conseil adopte un règlement sous la forme présentée au Document 1 ci-joint, visant à établir les taxes provisoires 2018, les échéances pour l'impôt, les amendes et les frais d'intérêt.**

## **BACKGROUND**

Sections 342, 343 and 345 of the *Municipal Act, 2001* require that tax due dates, penalty and interest percentage charges be approved by City Council. The interim and final due dates do not apply to those taxpayers who are registered in the City's Pre-Authorized Debit Plan or those registered under the full tax deferral program for low-income seniors and low-income persons with disabilities.

Section 317 of the *Municipal Act, 2001* requires Council to establish a by-law which sets interim tax billing for uncapped classes (residential and pipeline) and capped classes (commercial, industrial and multi-residential). The amount raised by the interim bill cannot exceed 50% of the previous year's adjusted annualized taxation.

## **DISCUSSION**

For the collection of property taxes, the *Municipal Act, 2001*, requires that Council approve by by-law an interim tax billing up to 50%, tax due dates, alternative instalments, due dates to allow taxpayers to spread the payment of taxes more evenly over the year, and penalty and interest percentage charges.

Interim tax billing in the amount of 50% of the previous year's taxes and due dates for the interim billing of March 15, 2018, with the remaining amount owing in the final billing of June 21, 2018 are recommended. These fixed due dates do not apply to registered preauthorized debit tax accounts or those registered under the full tax deferral program for low-income seniors and low-income persons with disabilities.

The penalty and interest charges are recommended to be maintained at 1.25% per month. These recommendations are consistent with those of previous years.

### Recommendation 1

This recommendation sets the 2018 interim tax billing at 50% of the 2017 Adjusted/Annualized Taxation. This rate is consistent with prior years.

#### Recommendation 2

This recommendation sets the 2018 tax due dates as March 15, 2018 (interim) and June 21, 2018 (final). These dates fall on the third Thursday of the month. Having the tax due dates fall on the third Thursday has been the City's practice for many years. The predictability of these dates benefits many taxpayers and eases the City's administrative planning.

#### Recommendation 3

The *Municipal Act* requires that Council set interest and penalty rates. These rates are consistent with prior years and are set to encourage prompt payment to compensate the City for the cost of money and the administrative costs of dealing with late payments. The rate of 1.25% per month is the maximum permitted by the *Municipal Act, 2001* and is used by most Ontario municipalities.

#### Recommendation 4

Staff recommend that Council enact a by-law in the form attached as Document 1 to establish the 2018 interim taxes, tax due dates, penalty and interest charges because the *Municipal Act, 2001* requires that these aspects of property tax collection be set by by-law. The by-law also includes direction on the City's pre-authorized debit plan for property taxes as authorized by s. 342 of the *Municipal Act, 2001*.

### **RURAL IMPLICATIONS**

There are no rural implications in implementing the recommendations in this report.

### **CONSULTATION**

The staff of the Revenue Service Area consulted with Legal Services. Due dates will be advertised.

### **COMMENTS BY THE WARD COUNCILLOR(S)**

No comments are required.

### **LEGAL IMPLICATIONS**

There are no legal impediments in implementing the recommendations in this report.

## **RISK MANAGEMENT IMPLICATIONS**

There are no risk management implications in implementing the recommendations in this report.

## **FINANCIAL IMPLICATIONS**

There is no impact on the budget if the recommendations for the interim and final tax due dates in the report are accepted. If City Council were to delay the tax due dates, the impact is approximately \$1,000,000 per month.

## **ACCESSIBILITY IMPACTS**

There are no accessibility implications in implementing the recommendations in this report.

## **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications in implementing the recommendations in this report.

## **TECHNOLOGY IMPLICATIONS**

There are no technology implications in implementing the recommendations in this report.

## **TERM OF COUNCIL PRIORITIES**

This meets Council's priority with respect to Financial Responsibility.

## **SUPPORTING DOCUMENTATION**

Document 1- By-law to set the installment due dates and interest and penalty rates applicable to the collection and property taxes for 2018. *(Held on file with the City Clerk)*

## **DISPOSITION**

Upon approval, the originating Department will take the appropriate action. Legal Services will submit the attached by-law to Council for enactment.