

*Request for Decision United Townships of Head, Clara & Maria Council*

Type of Decision									
Meeting Date	Friday, January 9, 2015				Report Date	Tuesday, January-06-15			
Decision Required	X	Yes		No	Priority	X	High		Low
Direction	X	Information Only			Type of Meeting	X	Open		Closed
<b>Interim Taxation - Report #09/01/15/1004</b>									

**Subject:**

Approval for interim taxation billing and collection.

**RECOMMENDATION:**

That Council pass the by-law allowing staff to create interim bills and collect taxes for the first half of 2014 based on 50% of taxes payable in 2013.

Resolution

**BE IT RESOLVED THAT** By-Law 2015-04 being a by-law to provide for an interim tax levy on properties designated as residential, farmland, managed forest, pipeline, industrial and commercial and to provide for payment of taxes and penalty and interest of 1.25% be read a first time short and passed.

**BACKGROUND/EXECUTIVE SUMMARY:**

From the by-law...

**“WHEREAS** the Municipal Act, S. O. 2001, c.25, section 317 provides that a local municipality, before the adoption of estimates for the year under section 290, may pass a by-law levying amounts on the assessment of property in the local municipality rateable for local municipality purposes;

**AND WHEREAS** under section 317 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.

**NOW THEREFORE** the Council of the Corporation of the United Townships of Head, Clara & Maria does hereby enact as follows:

1. **THAT** an interim levy of 50% of the total rate for each property for 2014 be applied to each property;
2. **THAT** this interim levy shall become due on the 31<sup>st</sup> day of March 2015;
3. **THAT** on all amounts of the interim levy, that are in default on the 6th day of April, 2015, a penalty of 1.25% shall be added and thereafter a penalty of 1.25% per month shall be added to outstanding taxes after the first day of each month;”

## Options/Discussion:

Council is able to change the percentage and the billing dates. It is not recommended that this be completed for 2015 but is something that might be considered for 2016.

1. To adopt or not. Not passing this by-law would result in staff not being delegated the authority to set rates or limits for interim tax billing. Not really an option.
2. Adjust the billing dates. Other municipalities separate the 50% billing to two equal installments – perhaps March and May or February and April. The remaining payments are normally due July and October 31. This too may be amended by Council but has been this way for some years in HCM.
3. Adjust the percentage. 50% is the maximum that can be collected. This amount may be reduced at Council's discretion and would result in the later annual payments being higher.

The following information is from the Municipal Act in respect to Interim Billing.

### **“Interim levy, local municipality**

317. (1) A local municipality, before the adoption of the estimates for the year under section 290, may pass a by-law levying amounts on the assessment of property in the local municipality rateable for local municipality purposes. 2001, c. 25, s. 317 (1).

### **By-law**

(2) A by-law under subsection (1) shall be passed in the year that the amounts are to be levied or may be passed in November or December of the previous year if it provides that it does not come into force until a specified day in the following year. 2001, c. 25, s. 317 (2); 2006, c. 32, Sched. A, s. 132.

### **Rules**

(3) The amounts to be levied are subject to the following rules:

1. 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.
2. The percentage under paragraph 1 may be different for different property classes but shall be the same for all properties in a property class.
3. For the purposes of calculating the total amount of taxes for the previous year under paragraph 1, 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. 2001, c. 25, s. 317 (3).

## Financial Considerations/Budget Impact:

Considerable. Without being able to collect taxes our municipality would soon find itself in a deficit position. Delaying payments or reducing the amount collected might cause some issue with paying school board and county portions but could be accommodated with proper planning.

## Policy Impact:

As per past practise and according to the Municipal Act.

## Others Consulted:

Noella LeBreton, Treasurer.

Approved and Recommended by the Clerk

Melinda Reith,  
Municipal Clerk