

Type of Decision									
<b>Meeting Date</b>	<b>Tuesday December 18, 2018</b>				<b>Report Date</b>	<b>Tuesday December 11, 2018</b>			
<b>Decision Required</b>	<b>X</b>	<b>Yes</b>		<b>No</b>	<b>Priority</b>	<b>X</b>	<b>High</b>		<b>Low</b>
<b>Direction</b>	<b>X</b>	<b>Information Only</b>			<b>Type of Meeting</b>	<b>X</b>	<b>Open</b>		<b>Closed</b>
<b>Interim Taxation - Report #18/12/18/1002</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 2019 based on 50% of taxes payable in 2018.

It is staff recommendation that the interim levy become due on February 28<sup>th</sup>, instead of March 31<sup>st</sup>, to better align with school board payment due dates. The first school board installment is due March 31<sup>st</sup> leaving little grace period between the time we receive the interim property tax payments and the time the school board payments are withdrawn from the bank. This causes staff to unnecessarily transfer money to and from reserves to cover for any shortages that may result from late or missed tax payments. We can eliminate these transfers by better aligning our sources of revenue with our major expenses.

Resolution

**BE IT RESOLVED THAT** By-Law 2018-29 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 2018 be applied to each property;
2. **THAT** this interim levy shall become due on the 28<sup>th</sup> day of February 2019;
3. **THAT** on all amounts of the interim levy, that are in default on the 2<sup>nd</sup> day of March, 2019, 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:**

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.
2. Adjust the billing dates. Other municipalities separate the 50% billing to two equal installments – possibly February and April. The remaining payments are normally due July and October 31.
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.

### **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:**

Peggy Young-Lovelace

<b>Approved and Recommended by</b>
Crystal Fischer Administrative Assistant