



Report to: General Committee

Meeting Date: November 29, 2022

SUBJECT: 2022 Interim Tax Levy By-law

PREPARED BY: Shane Manson, Senior Manager, Revenues & Property
Taxation, Ext. 7514

RECOMMENDATION:

1. THAT the report “2022 Interim Tax Levy By-law” be received; and,
2. THAT Council authorize an interim tax levy for 2022; and,
3. THAT the attached by-law be passed to authorize the 2022 interim tax levy; and,
4. THAT staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

This purpose of this report is to seek authority from Council for the City of Markham to levy an interim property tax levy for the 2022 taxation year. The purpose of an interim property tax levy is to provide the necessary cash flow to meet the City’s own needs and its financial obligations to the Region of York and the Province of Ontario for education purposes.

BACKGROUND:

Section 317 of the *Municipal Act, 2001 (The Act)*, allows a local municipality to levy on all taxable properties, an interim tax levy prior to the adoption of the final budget for each tax year. The maximum allowable interim levy is fifty (50) per cent of the prior year’s annualized taxes. Annualized taxes reflect taxes levied against the property at final billing, including all tax adjustments due to supplementary assessment and resulting from assessment appeals. For properties that are new to the assessment roll for the current year, and were not assessed in prior year, fifty per cent of the previous year’s tax rate for the properties applicable tax class will be applied to the property’s assessed value to generate an interim levy.

The Act requires that an interim tax levy by-law be passed in the year to which it applies or in November or December of the previous year, provided that the by-law does not come into effect until a specified day in the applicable year.

OPTIONS/ DISCUSSION:

The interim tax levy by-law provides for the levy of interim taxes for the 2022 taxation year as authorized under the authority of Section 317 of the *The Act*. Consistent with the City’s practice in previous years, the 2022 interim tax levy will be payable in equal installments, based on the billing plan applicable to each property. These instalments dates have been included in the attached by-law.

The 2022 final tax rates will be established following the approval of the budgets of the City of Markham, York Region and of the Province. The interim levy will be deducted from the final levy.

FINANCIAL CONSIDERATIONS

The interim levy by-law is required to provide for the revenue requirements of the City of Markham prior to the final tax by-law that will incorporate the budgets of the Region of York and of the Province.

The interim levy will generate approximately \$380 million, plus the revenue generated from all new properties added to the assessment roll. Properties that are new to the assessment roll will have fifty per cent of the previous year's tax rate applied to the property's assessed value, based on the properties applicable tax class, to generate an interim levy.

HUMAN RESOURCES CONSIDERATIONS

Not applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

Not applicable.

BUSINESS UNITS CONSULTED AND AFFECTED:

Not applicable.

RECOMMENDED BY:

Joel Lustig
Treasurer

Trinela Cane
Commissioner, Corporate Services

ATTACHMENTS:

Appendix A: By-Law to Provide for an Interim Tax Levy in 2022

**THE CORPORATION OF THE CITY OF MARKHAM
BY-LAW NO. 2021-XXX**

BEING A BY-LAW TO PROVIDE FOR AN INTERIM TAX LEVY IN 2022

WHEREAS Section 317(1) of the *Municipal Act, 2001*, S.O. 2001, C.25, provides that the Council of a local municipality may, before the adoption of the annual estimates for 2021, pass a by-law to levy on the whole of the assessment for taxable property for local municipal purposes;

AND WHEREAS the Council of The Corporation of the City of Markham wishes to impose an interim tax levy, as authorized by *Municipal Act, 2001*, S. O. 2001, c. 25, as amended;

AND WHEREAS section 342 of the *Municipal Act, 2001* authorizes a Council to pass by-laws for the payment of taxes by instalments and the date or dates in the year for which the taxes are imposed on which the taxes or instalments are due;

AND WHEREAS section 345 of the *Municipal Act, 2001* authorizes a local municipality to pass by-laws to impose late payment charges for the non-payment of taxes or any instalment by the due date.

NOW THEREFORE the Council of the Corporation of the City of Markham enacts as follows:

1. **THAT** the Council of The Corporation of The City of Markham hereby imposes an interim levy in 2022 in an amount of fifty (50) per cent of the prior year's annualized taxes;
2. **THAT** the taxes may be levied by this by-law on a property that is taxable for local municipal purposes for the current tax year, even if the property was not taxable for local municipal purposes for the prior tax year, including assessment of property that is added to the assessment roll after the by-law is passed at a rate not to exceed fifty (50) per cent of the previous year tax rate for the property class in which the property is assessed;
3. **THAT** the interim taxes levied by this by-law shall be due and payable in equal instalments as per the following schedules:
 - I. **MONTHLY RESIDENTIAL PRE-AUTHORIZED PAYMENT BILLS**
 - a. Due in five (5) equal instalments on the 1st day in each of the months of February, March, April, May and June of 2022.
 - II. **INSTALMENT PRE-AUTHORIZED PAYMENT BILLS**
 - a. Due in three (3) equal instalments on the 7th day of February 2022, 7th day of March 2022, and the 5th day of April 2022; or

- b. Due in two (2) equal instalments on the 7th day of February 2022, and 7th day of March 2022.

III. NON PRE-AUTHORIZED RESIDENTIAL, FARMLAND, AND PIPELINE BILLS

- a. Due in two (2) equal instalments on the 7th day of February 2022, and 7th day of March 2022.

IV. NON PRE-AUTHORIZED MULTI-RESIDENTIAL BILLS, AND ALL COMMERCIAL AND ALL INDUSTRIAL BILLS

- a. Due in two (2) equal instalments on the 7th day of February 2022, and 7th day of March 2022.

- 4. **THAT** as provided in Subsections 345(1) and (2) of the *Municipal Act 2001*, if the taxes or any class or instalment thereof so levied in accordance with this By-law remain unpaid following the due date, a penalty of one per cent (1.00%) on the fourth day default and one and one point quarter per cent (1.25%) per month (15% per annum), on the first day each calendar month thereafter in which the default continues;
- 5. **THAT** as provided in Subsections 345(3) of the *Municipal Act 2001*, provides interest of one and one point quarter per cent (1.25%) per month (on the first day each calendar month thereafter in which the default continues);
- 6. **THAT** the Treasurer of The Corporation of The City of Markham is hereby authorized and directed to serve personally or to mail or cause to be mailed notices of the taxes hereby levied to the person or persons taxed at the person's residence or place of business or upon the premises in respect of which the taxes are payable by such person, or the ratepayer's mortgage company or third party designated by the property owner;
- 7. **THAT** payment of the taxes shall be paid to the Treasurer at the Municipal Offices, 101 Town Centre Boulevard, Markham, Ontario, L3R 9W3;
- 8. **AND THAT** this By-law shall not take effect until January 1, 2022.

READ A FIRST, SECOND AND THIRD TIME AND PASSED THIS XX DAY OF XX, 2021.

KIMBERLEY KITTERINGHAM
CITY CLERK

FRANK SCARPITTI
MAYOR