



Report to: General Committee

Report Date: November 17th, 2014

SUBJECT: 2015 Interim Tax Levy By-law

PREPARED BY: Shane Manson, Senior Manager, Revenue & Property Taxation

RECOMMENDATIONS:

1. **THAT** the report “2015 Interim Tax Levy By-law” be received;
2. **AND THAT** Council authorize an interim tax levy for 2015;
3. **AND THAT** the attached by-law be passed to authorize the 2015 interim tax levy;
4. **AND 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 2015 taxation year. The interim tax levy is required to ensure cash flow in order to meet the financial obligations of the City prior to the final 2015 tax levy by-law that will incorporate the budget requirements of the Region of York and of the Province. The interim levy also provides the Region of York and the Province with their interim cash requirements before the final bills are sent later in 2015.

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 final budgets 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 & DISCUSSIONS:

The interim tax levy by-law provides for the levy of interim taxes for the 2015 taxation year as authorized under the authority of Section 317 of the *The Act*.

Consistent with the City's practice in previous years, the 2015 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 2015 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.

HUMAN RESOURCE CONSIDERATIONS:

Not applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

Not applicable.

BUSINESS UNITS AFFECTED AND CONSULTED:

Legal Services Department

RECOMMENDED BY:

05/11/2014

07/11/2014

X 

Joel Lustig
Treasurer

X 

Trinela Cane
Commissioner, Corporate Services

ATTACHMENTS:

Appendix A: By-Law to Provide for an Interim Tax Levy in 2015

BY-LAW NO. 2015-XXX

BEING A BY-LAW TO PROVIDE FOR AN INTERIM TAX LEVY IN 2015

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 2015, 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 2015 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 2015.
 - ii. **INSTALLMENT PRE-AUTHORIZED PAYMENT BILLS**
 - a. Due in three (3) equal instalments on the 5th day of February 2015, 5th day of March, and the 7th day of April, 2015; or
 - b. Due in two (2) equal instalments on the 5th day of February 2015, and 5th day of March.

- iii. **NON PRE-AUTHORIZED RESIDENTIAL, FARMLAND, AND PIPELINE BILLS**
 - a. Due in two (2) equal installments on the 5th day of February 2015, and the 5th day of March, 2015.

 - iv. **NON PRE-AUTHORIZED MULTI-RESIDENTIAL BILLS, AND ALL COMMERCIAL AND ALL INDUSTRIAL BILLS**
 - a. Due in two (2) equal instalments on the 5th day of February 2015, and 5th day of March.
4. **THAT** if any instalment or any part of any instalment of rates, taxes and assessments not paid on or before the day prescribed by the respective section of this by-law, which sets out payment of such instalments, shall be subject to a penalty which shall be added to and collected with rates, taxes and assessments and which shall be a percentage charged of one and one quarter (1 ¼%) per cent on the first day of default and a further one and one quarter (1 ¼%) per cent for each calendar month thereafter in which default continues in the year in which the taxes were levied;
5. **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;
6. **THAT** payment of the taxes shall be paid to the Treasurer at the Municipal Offices, 101 Town Centre Boulevard, Markham, Ontario, L3R 9W3;
7. **AND THAT** this By-law shall not take effect until January 1, 2015.

READ A FIRST, SECOND AND THIRD TIME AND PASSED THIS 17TH DAY OF NOVEMBER, 2015.

X _____
KIMBERLEY KITTERINGHAM
CITY CLERK

X _____
FRANK SCARPITTI
MAYOR