

## CITY OF VAUGHAN

### **EXTRACT FROM COUNCIL MEETING MINUTES OF JANUARY 30, 2018**

Item 4, Report No. 1, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on January 30, 2018.

#### **4 INTERIM PROPERTY TAX LEVY FOR 2018 – ALL WARDS**

The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Chief Financial Officer and City Treasurer, dated January 22, 2018:

##### **Purpose**

To inform Council on the issuance of the interim property tax bills for 2018 to all property classes, under the authority of section 317 of the *Municipal Act, 2001*, as amended

##### **Recommendations**

1. THAT a by-law be prepared to levy interim property taxes for 2018, with three instalments due in March, April and May for all property classes.

##### **Report Highlights**

- The issuance of an interim property tax levy provides 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
- The interim levy will produce total property tax revenue of approximately \$405 million based on taxable assessment of approximately \$85 billion
- These interim funds are raised for the City, the Region of York and all school boards for operational purposes.

##### **Background**

The issuance of an interim property tax levy provides funds for the City to meet day-to-day operating and capital financial obligations.

As noted above, the Interim levy can be paid in three equal instalments due March, April and May. Further, taxpayers have the option to enroll in the Pre-Authorized installment due date payment plan for interim and final billing or the eleven-month instalment plan. The withdrawals for the due date payment plan will be made on the Interim billings' instalment due date and the withdrawals for the 11-month plan will be made on the first banking day of each month from January to November.

##### **Previous Reports/Authority**

Not applicable

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#### **Analysis and Options**

The Interim billing will be calculated utilizing the 2018 phase-in assessment roll as provided by the Municipal Property Assessment Corporation (MPAC).

In accordance with current Provincial legislation, the interim amount levied by property is subject to the following rules:

1. The amount levied on a property shall not exceed 50% of the total taxes levied on the property for the previous year, subject to an adjustment, as per Section 317(9), should it appear the levy would be too high or too low in relation to an estimate of the total taxes that will be levied for 2018.
2. A calculated notional tax rate applied to the 2018 assessment will be used to calculate the levy.
3. For the purpose of calculating the total amount of taxes for the previous year, any amount levied for only part of the year will be annualized.
4. For new property assessments added to the roll for the 2018 taxation year, the levy will be calculated by applying the notional tax rate to the 2018 assessment.
5. The interim levy for properties in the commercial, industrial and multi-residential classes (capped classes) will include an amount equal to 50% of the 2017 capping adjustment, if applicable.

The 2018 final tax billing will also be calculated utilizing the assessment values as provided by the Municipal Property Assessment Corporation (MPAC). The final billing will be issued in June and will be due in July, August, September (Residential); August, September, October (non-residential).

#### **Financial Impact**

The issuance of an interim property tax levy provides 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. The interim levy will produce total property tax revenue of approximately \$405 million based on taxable assessment of approximately \$85 billion.

#### **Broader Regional Impacts/Considerations**

The City of Vaughan will be collecting an amount of approximately \$162 million in interim property taxes on behalf of the Region of York.

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#### **Conclusion**

The interim levy will produce total property tax revenue of approximately \$405 million based on taxable assessment of approximately \$85 billion. These interim funds are raised for the City's, Region of York's and School Boards' operational purposes.

**For more information**, please contact: Maureen Zabiuk, Manager, Property Tax & Assessment; Dean Ferraro, Director of Financial Services/Deputy Treasurer

#### **Attachments**

Not applicable

#### **Prepared by**

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