

# The Regional Municipality of York

Committee of the Whole  
Finance and Administration  
January 14, 2021

Report of the Commissioner of Finance

## 2021 Interim Tax Levy

### 1. Recommendations

1. Council approve the 2021 interim tax levy of \$592,459,605 which would be payable by local municipalities to the Region in two equal installments, the first of which will be due on or before April 30, 2021, and the second due on or before June 30, 2021, as shown in Attachment 1.
2. Council approve the extension of the 2020 interest waiving program to 2021, to waive interest until December 31, 2021 on any portion of property tax instalments, for the 2021 taxation year, not remitted to the Region as a direct result of a local municipality's COVID-19 tax relief program, except for the interest related to the final 2021 installment which shall be waived until March 31, 2022.
3. The Regional Solicitor prepare the necessary bylaw to give effect to these recommendations.

### 2. Summary

This report establishes the 2021 interim tax levy payable by the local municipalities to the Regional Municipality of York.

Key Points:

- The interim tax levy raises funds for the Region to conduct operations until tax rates for the year are established
- Payments to the Region will be due in two instalments in April and June. The amount billed to each municipality is 50% of the full year amount raised through the rating-by-law in 2020
- As the duration of the pandemic is still uncertain, it is recommended that the 2020 property tax waiving program be extended for 2021 tax levy

### **3. Background**

#### **The Municipal Act, 2001 provides for an interim tax levy until the final tax rating bylaw has been approved**

Until the 2021 Budget is approved and a final tax rating bylaw has been established, the Region must requisition sufficient funds from its local municipalities to support its day-to-day operations.

Subsection 316(1) of the Municipal Act, 2001 provides that an interim tax levy may be passed for an amount not exceeding 50% of the amount raised through the Region's tax rating bylaw from each of its local municipalities in the preceding year. Subsection 316(2) states that the corresponding bylaw issued for interim tax levy purposes may require specific portions of the sum to be paid to the Regional Treasurer, on or before the specified dates.

### **4. Analysis**

In keeping with past practice, the proposed interim tax levy will be payable by local municipalities in two equal instalments, on or before the last business day of April, and on or before the last business day of June.

Local municipalities begin issuing interim bills to property owners in January, some prior to the Regional interim tax levy by-law being passed. Interim tax bills are based on 50% of the properties' prior year tax bills. The local municipalities will set their tax rates after the Region establishes the tax ratios and pass its rating by-law for the year. Any tax instalments billed by the Region to local municipalities becomes a debt to the Region.

Normally, tax payments by property owners to local municipalities and by local municipalities to the Region that have not been remitted by the due date will be subject to interest and penalties. However, in 2020 due to COVID-19, local municipalities offered various tax relief programs to taxpayers. In order to support local municipalities, the Region adopted a by-law to waive interest on 2020 tax levy instalments as a direct result of local's tax relief programs to assist residents and business owners. Through the first three quarters of 2020, approximately 99% of amount owed to the Region was collected. It is anticipated full payment will have been made by local municipalities for the final instalment.

While some local municipalities may be ending their tax relief program, others may continue to offer payment flexibility on an application basis to assist residential and business taxpayers throughout 2021. It is recommended that the Region extend its interest waiving program to apply to the 2021 taxation year.

## 5. Financial

For 2020, Regional Council approved a total operating budget of \$1,188.6 million. Of this amount, \$3.7 million is attributable to payments-in-lieu, and \$1,184.9 million is to be collected from local municipalities. The 2021 interim tax levy is equal to 50% of the total approved tax levy net of payments in lieu.

As per Attachment 1, approximately \$592.5 million is being requisitioned from the local municipalities to provide the Region with sufficient revenues to fund its operations, prior to the establishment of a tax rating bylaw for 2021.

On November 5, 2020 the Province announced it would propose an amendment to the Assessment Act that would allow municipalities to adopt an optional subclass for small businesses in order to provide COVID-19 tax relief beginning in 2021. It will be up to municipalities to define small business eligibility in a way that best meets local needs and priorities. Any tax relief provided to small businesses would not have an impact on the interim tax bills issued by local municipalities as the interim tax bills are issued independent of the Region's interim tax levy bylaw.

## 6. Local Impact

The amount payable by each local municipality to the Region is shown in Attachment 1.

Extending the Region's interest waiving program to the 2021 taxation year will enable the Region to align the actions taken by local municipalities.

## 7. Conclusion

It is recommended that \$592.5 million, which represents 50% of the 2020 tax levy, be requisitioned from the local municipalities as a 2021 interim tax levy.

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For more information on this report, please contact Edward Hankins, Director and Deputy Treasurer, Treasury Office, at 1-877-464-9675 ext. 71644. Accessible formats or communication supports are available upon request.

Recommended by: **Laura Mirabella, FCPA, FCA**  
Commissioner of Finance and Regional Treasurer

Approved for Submission: **Bruce Macgregor**  
Chief Administrative Officer

November 10, 2020  
Attachments (1)  
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