



Town of Newmarket
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2019 Interim Property Tax Billing Information Report

Report Number: 2019-01

Department(s): Corporate Services – Financial Services – Property Tax & Assessment

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Date: January 2, 2019

In accordance with the Procedure By-law, any member of Council may make a request to the Town Clerk that this Report be placed on an upcoming Committee of the Whole agenda for discussion.

Executive Summary

The 2019 Interim Property Tax Levy and the processing of the tax bills will provide the Town with the funds required to meet municipal obligations. The 2019 due dates will be February 25th, March 25th and April 25th.

Purpose

The purpose of this report is to advise Council that staff, under the authority of the Corporations Delegation By-law #2016-17, will proceed to levy and collect the 2019 interim property taxes.

Background

The Municipal Act, section 317 provides municipalities with the authority to levy interim property taxes in an amount not to exceed 50% of the prior year, other than in cases where an assessment was only on the roll for part of the prior year. In those cases, the prior year levy is annualized for the purpose of the current year interim levy.

The levy will be payable in three relatively equal installments that will be due on February 25th, March 25th and April 25th.

Final property tax bills are usually issued in June for the residential taxpayers with another 3 relatively equal installments. Commercial and industrial final bills are generally issued in July or August with two installments due in September and October.

Preparation of the final bills require the following items before we can proceed;

- Finalization of the Town's 2019 budget
- Receipt of property tax rates from the Region of York
- Region wide property tax ratios from the Region of York
- Final capping and clawback rates for qualifying properties
- Education and other regulated tax rates from the Province of Ontario

Discussion

Re-Assessment

The Municipal Property Assessment Corporation (MPAC) completes a province wide reassessment every 4 years. This was completed during 2016 and updated assessment notices were issued for every property during 2016 showing phased-in assessment values to be used for taxation in 2017, 2018, 2019 and 2020.

Annually MPAC also issues amended notices to property owners if changes, such as value, ownership, classification or school support have occurred during 2018.

The average assessment value of properties in Newmarket has changed from 2018 to 2019 as follows:

Description	Count	2018 Average	2019 Average	% of Change
Single Family Home	18,636	572,500	618,750	8.08%
Residential Condo	2,093	316,000	334,500	5.85%
Apartment Building	30	4,318,000	4,686,500	8.53%
Small Office Building	22	780,500	809,750	3.75%
Small Retail Commercial Property	16	934,500	949,750	1.63%
Standard Industrial Property	55	2,492,500	2,540,250	1.92%

The tax impacts of these changes will be analyzed and reported to Council in detail with our Final Tax Rate Report later this year.

Stormwater Management User Fee

In 2017, we implemented a stormwater management user fee and have been billing this fee on the property tax bill, as a separate user fee. During 2019, we will be transitioning to a new property tax system that will not bill user fees. Therefore, for 2019 we will be billing the stormwater management fee on a separate invoice that will be sent with the final tax bill in June.

Late Payment Charges (Penalty and Interest)

Under the provisions of the Municipal Act, 2001 section 345, a municipality may impose late payment charges for the non-payment of taxes or an installment by the due date. Newmarket will charge late payment fees, in an amount not to exceed 1.25% of the taxes due, on the first day of each month in which default continues. This amount is the maximum allowed under the Act, and was approved by Council under By-law 2013-02, which remains in effect from year to year unless repealed by Council.

Conclusion

Staff will proceed with the 2019 interim billing in January.

Business Plan and Strategic Plan Linkages

This report links to Newmarket's key strategic directions in being Well Managed through Fiscal Responsibility.

Consultation

Not required.

Human Resource Considerations

Not applicable.

Budget Impact

The interim tax levy will provide the Town with approximately 50% of the funds required to meet our 2019 financial obligations.

Attachments

None

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Approval



Mike Mayes, Director, Financial Services/Treasurer
CGA, CPA, DPA



Lisa Lyons
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