



Town of Newmarket  
395 Mulock Drive P.O. Box 328,  
Newmarket, Ontario, L3Y 4X7

Email: [info@newmarket.ca](mailto:info@newmarket.ca) | Website: [newmarket.ca](http://newmarket.ca) | Phone: 905-895-5193

## **2020 Interim Property Tax Billing Information Report to Council**

Report Number: INFO-2020-01

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

Author(s): Grace L. Marsh

Distribution Date: January 9, 2020

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 2020 Interim Property Tax Levy and the processing of the tax bills will provide the Town with the funds required to meet municipal obligations. The 2020 due dates will be February 27th, March 26th and April 28th.

### **Purpose**

The purpose of this report is to advise Council that staff, under the authority of the Corporate Delegation By-law #2016-17, will proceed to levy and collect the 2020 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 27<sup>th</sup>, March 26<sup>th</sup> and April 28<sup>th</sup>.

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 all the following items before we can proceed;

- Finalization of the Town's 2020 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 any 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 issues a smaller number of amended notices to property owners if changes, such as value, ownership, classification or school support have occurred during the previous year.

The average assessment value of properties in Newmarket has changed from 2019 to 2020 as follows:

Description	Count	2019 Average	2020 Average	% of Change
Single Family Home	18,740	618,750	665,000	7.47%
Residential Condo	2,092	335,750	356,000	6.03%
Apartment Building	30	4,686,500	5,055,000	7.86%
Small Office Building	22	927,250	976,000	5.26%
Small Retail Commercial Property	16	921,500	968,000	5.05%
Standard Industrial Property	55	2,540,250	2,588,000	1.88%

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

MPAC is currently in the process of setting new values for the next cycle to be used for taxation in 2021, 2022, 2023 and 2024 and all properties will be receiving those new value notices later in 2020. Council will be supplied with additional information regarding the reassessment later this year.

### **Late Payment Charges (Penalty and Interest)**

Under the provisions of the Municipal Act, 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% per month of the taxes due. 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.

### **New Property Tax System (TXM)**

Financial Services is currently in the process of implementing a new property tax system and Newmarket's tax bills will have a new look as well as a new payment schedule for members of the monthly Pre-Authorized Payment Plan for paying property taxes. The payment schedule will shift by one month, with the first payment being withdrawn in February and the final payment withdrawal in November. The payments will be withdrawn on either the 15<sup>th</sup> of the month or the last business day of the month, depending on which plan the taxpayers is currently registered in. The February to November payment schedule will stay in place for future years. The new tax system will allow for future online tax billing. In conjunction with Corporate Customer Service and Communications this information has been sent by mail to plan participants and has been added to our website.

### **Conclusion**

Staff will proceed with the 2020 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 2020 financial obligations.

## **Attachments**

None.

## **Contact**

Grace Marsh, Extension 2143

gmarsh@newmarket.ca

## **Approval**

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

Esther Armchuk, LL.B  
Commissioner, Corporate Services