



Town of Newmarket  
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## **2021 Interim Property Tax Billing Information Report to Council**

Report Number: INFO-2021-05

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

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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 2021 Interim Property Tax Levy and the processing of the tax bills will provide the Town with the funds required to meet municipal obligations. The 2021 due dates will be February 25<sup>th</sup>, March 25<sup>th</sup> and April 26<sup>th</sup>.

### **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 2021 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 25<sup>th</sup>, March 25<sup>th</sup> and April 26<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 2021 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

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. Due to the Covid-19 pandemic, the planned **re-assessment for 2021 has been postponed**. Therefore, assessment values continue to reflect 2016 base year, as a result, assessments will be the same as 2020, unless there were changes to the property.

The average assessment value of properties in Newmarket has changed from 2020 to 2021 as follows:

Description	Count	2020 Average	2021 Average	% Change
Single Family Home	18,734	\$700,604	\$702,400	0.26%
Residential Condo	2,092	\$376,012	\$376,146	0.03%
Apartment Building	31	\$8,700,258	\$8,700,258	0%
Small Office Building	27	\$1,351,654	\$1,319,926	-2%
Small Retail Commercial Property	16	\$1,209,313	\$1,209,313	0%
Standard Industrial Property	90	\$4,514,815	\$4,312,000	-4%

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

With the Financial Relief Program set to end January 31, 2021, Council approved a replacement for this program on January 18, 2021 which includes penalty and interest of unpaid property taxes to be waived for eligible residential property owners. Staff will waive the penalty and interest on unpaid property taxes for eligible applicants until December 31, 2021.

## **Conclusion**

Staff will proceed with the 2021 interim billing in January, 2021.

## **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 2021 financial obligations.

## **Attachments**

None.

## **Contact**

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## **Approval**

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