



REPORT

Council

Meeting Date: December 19, 2022

FROM: Finance Department

DATE: December 6, 2022

SUBJECT: 2023 Interim Tax Levying By-law 2022-135

LOCATION: Town-wide

WARD: Town-wide

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RECOMMENDATION:

That By-law 2022-135, a by-law to provide for the interim tax levy in 2023, be approved.

KEY FACTS:

The following are key points for consideration with respect to this report:

- Each year the Town requires revenue to fund financial operations prior to approving the annual budget
- To ensure sufficient revenue is generated to meet these obligations, the Town is authorized to levy interim taxes pursuant to Section 317(1) of the *Municipal Act, 2001*

BACKGROUND:

Establishing final tax rates for 2023 cannot be completed until the Town of Oakville and the Region of Halton approve budgets for 2023, and the Province of Ontario issues a Regulation for the 2023 education tax rates. Historically, the Region's approved budget and the Province's Education Regulation are released in the first quarter of a calendar year.

Prior to levying final tax bills based on approved budgets, the Town requires revenue to operate and provide services. Additionally, the Town is legislated to provide operating funds to the Region and School Boards in February each year. Therefore, to generate revenue and meet the aforementioned financial obligations, it is necessary to levy an interim tax on all taxable property in Oakville. The authority to levy an interim tax resides in Section 317 of the *Municipal Act, 2001*.

The 2023 interim tax levy is calculated using a notional tax rate applied to the 2023 taxable assessment roll (a tax rate derived from determining an amount, not exceeding 50% of the 2022 approved budget, when applied to the assessment as delivered for 2023 taxation).

2023 will reflect the returned 2022 assessment values, as Ontario has paused reassessment for 2021-2023 as per the Province's November 4th, 2021 Economic Update. There was no information regarding reassessment given by the Province in their 2022 Fall update. The assessed property values in Ontario are based on 2016 market values, and a reassessment was planned for 2021 prior to the pandemic. Therefore, the only assessment changes that should occur are due to new properties added to the roll or changes to properties that were captured by the Municipal Property Assessment Corporation (MPAC) in the 2022 taxation year. The 2023 assessment roll will be delivered the second Tuesday following December 1 in the year in which the assessment is made as per S. 36(1) of the *Assessment Act*.

Section 317 (2) of the *Municipal Act, 2001* states a by-law under subsection (1) shall be passed in the year that the amounts are to be levied or may be passed in November or December of the previous year if it provides that it does not come into force until a specified day in the following year.

Accordingly, staff requests that Council approve by-law 2022-135 as attached, which would come into effect January 1, 2023; and thereby allowing staff to issue the 2023 interim tax billing in January 2023.

COMMENT/OPTIONS:

Once by-law 2022-135 is approved by Council, staff will begin production of the 2023 interim tax bills to be mailed January 2023 to property owners with interim tax due dates of February 24, 2023, and April 25, 2023. As per section 343(1) of the *Municipal Act, 2001* the Town is legislated to send a tax bill to every taxpayer at least 21 days before any taxes shown on the tax bill are due.

CONSIDERATIONS:

(A) PUBLIC

Approving an interim tax levy ensures the Town's financial obligations are met and services to the public are provided.

(B) FINANCIAL

The interim tax levy is integral to the Town's ability to finance operations.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

NA

(D) CORPORATE STRATEGIC GOALS

This report addresses the corporate strategic goal(s) to:

- Be accountable in everything we do
- Be fiscally sustainable

(E) CLIMATE CHANGE/ACTION

Ensuring adequate revenue is available to provide services that support the Town's climate change and action initiatives.

APPENDICES:

Appendix A: By-law 2022-135

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Recommended by:

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Director, Finance and Deputy Treasurer

Submitted by:

Nancy Sully,

Commissioner, Corporate Services and Treasurer