



REPORT

Council

Meeting Date: November 20, 2023

FROM: Finance Department

DATE: November 7, 2023

SUBJECT: 2024 Interim Tax Levy By-law 2023-156

LOCATION: Town-wide

WARD: Town-wide

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RECOMMENDATION:

That By-law 2023-156, a by-law to provide for the interim tax levy in 2024, be passed.

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 2024 cannot be completed until the Town of Oakville and the Region of Halton approve budgets for 2024, and the Province of Ontario issues a Regulation for the 2024 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 and April 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 2024 interim tax levy is calculated using a notional tax rate applied to the 2024 taxable assessment roll (a tax rate derived from determining an amount, not exceeding 50% of the 2023 approved budget, when applied to the assessment as delivered for 2024 taxation).

2024 will reflect the returned 2023 assessment values, as Ontario has paused reassessment for 2021-2024 taxation years as per Ontario Regulation 261/23, amending Ontario Regulation 282/98, made August 10, 2023 by the Minister of Finance. The property assessments 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 assessment roll or changes to properties that were captured by the Municipal Property Assessment Corporation (MPAC) in the 2023 taxation year. The 2024 assessment roll will be delivered by 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 2023-156 as attached, which would come into effect January 1, 2024; and thereby allowing staff to issue the 2024 interim tax billing in January 2024.

COMMENT/OPTIONS:

Once by-law 2023-156 is approved by Council, staff is able to commence production of the 2024 interim tax bills to be mailed in January 2024 to property owners with interim tax due dates of February 26, 2024, and April 26, 2024. 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 2023-156

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Recommended by:

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Director, Finance and Deputy Treasurer

Submitted by:

Nancy Sully,

Commissioner, Corporate Services and Treasurer