



## REPORT

### Council

**Meeting Date: December 16, 2024**

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**FROM:** Finance Department

**DATE:** December 3, 2024

**SUBJECT:** 2025 Interim Tax Levy By-law 2024-168

**LOCATION:** Town-wide

**WARD:** Town-wide

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#### **RECOMMENDATION:**

That By-law 2024-168, a by-law to provide for the interim tax levy in 2025, 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 2025 cannot be completed until the Town of Oakville and the Region of Halton approve budgets for 2025, and the Province of Ontario issues a Regulation for the 2025 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 2025 interim tax levy is calculated using a notional tax rate applied to the 2025 taxable assessment roll (a tax rate derived from determining an amount, not exceeding 50% of the 2024 approved budget, when applied to the assessment as delivered for 2025 taxation).

2025 will reflect the returned 2024 assessment values, as Ontario has continued to pause reassessment for the 2021-2025 taxation years. 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 will 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 2024 taxation year. The 2025 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 2024-168 as attached, which would come into effect January 1, 2025; and thereby allowing staff to issue the 2025 interim tax billing in January 2025.

**COMMENT/OPTIONS:**

Once By-law 2024-168 is approved by Council, staff is able to commence production of the 2025 interim tax bills to be mailed in January 2025 to property owners with interim tax due dates of February 25, 2025, and April 25, 2025. 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) COUNCIL STRATEGIC PRIORITIES**

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 2024-168

Prepared by:

Danielle Tummon

Manager, Revenue Services and Taxation

Recommended by:

Jonathan van der Heiden

Director, Finance and Deputy Treasurer

Submitted by:

Nancy Sully,

Commissioner, Corporate Services and Treasurer