



**FINANCE DEPARTMENT
MEMORANDUM**

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Pending #:

TO: MAYOR A. NUTTALL AND MEMBERS OF COUNCIL

FROM: C. SMITH, SENIOR MANAGER, ACCOUNTING AND REVENUE

NOTED: C. MILLAR, TREASURER AND CHIEF FINANCIAL OFFICER
M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RE: 2024 INTERIM TAX BILLING

DATE: NOVEMBER 22, 2023

The purpose of this Memorandum is to provide members of Council with information regarding the issuance of the 2024 interim property tax bills.

Interim property tax bills

Staff will prepare the 2024 interim property tax bills in January 2024, for all property classes, calculated at no more than 50 percent of the 2023 annualized property tax amount. These bills will include any special charges (i.e. local improvements for water and sewer) levied on the property.

Section 317 of the *Municipal Act, 2001* (the Act) allows municipalities to issue interim tax bills in order to provide the cash flow required to pay ongoing expenses until the annual business plan is approved, property tax rates and ratios are updated, and the Province provides the Education tax rates.

Section 317(3) of the Act sets out the rules relating to the amount that can be levied as follows:

- a) The amount levied on a property shall not exceed the prescribed percentage, or 50 percent if no percentage is prescribed, of the total amount of taxes for municipal and school purposes levied on the property for the previous year,
- b) The percentage under (a) may be different for different property classes, but shall be the same for all properties in a property class, and
- c) With respect to any taxes for municipal and school purposes that were levied on a property for only part of 2023 because assessment was added to the property part way through the year, the interim property tax bill for 2024 will be calculated as 50 percent of the property taxes for 2023, as if they had been levied for the entire year.

In accordance with our standard practice, the 2024 interim taxes will be due in two instalments. The first instalment will be due on February 29, 2024 and the second instalment will be due on April 30, 2024.

As per the Municipal Act, late payment fees (penalty and/or interest) are applied to all unpaid accounts the 1st of each month at the rate of 1.25% (15% annually) to encourage prompt payment, and to ensure all other taxpayers are not financing those who do not pay on a timely basis. Payments received are applied first to all outstanding late payment fees, then to the oldest outstanding principal amount(s).

Property Tax Billing Due Dates – Monthly Pre-Authorized Payment (PAP) Plan

The City's PAP Plan authorizes the City to automatically withdraw funds from bank accounts designated by eligible and participating taxpayers in order to make property tax payments. These payments are withdrawn monthly over the 10-month period from January to October each year.