

Staff Report 2021-0082

Meeting Date: May 18, 2021

Subject: 2021 Property Tax Rates

Submitted By: Hillary Bryers, Manager, Revenue, Finance / Deputy Treasurer

RECOMMENDATION

That the final property tax rates as identified in Schedule A and Schedule B to Staff Report 2021-0082 be approved;

That the final property tax due dates be established as Thursday July 8, 2021 and Thursday September 2, 2021; and

That a by-law be enacted for the levy and collection of the 2021 Final Tax Levy.

REPORT HIGHLIGHTS

- The *Municipal Act, 2001* requires a municipality to adopt its final tax levy, due dates and tax rates annually through the passing of a by-law.
- Property tax ratios are presented to Council for approval in the May 18, 2021 Staff Report 2021-0084.
- The final property tax rates are set out in Schedule A and B to this report and are reflective of the tax ratios presented to Council for approval, approved Town of Caledon and Region of Peel budgets and the final 2021 education rates.
- The final property tax due dates are proposed to be Thursday July 8 and Thursday September 2, 2021.
- The total levy for 2021 is \$180,336,869 inclusive of the Town's general levy of \$75,366,068, the Town's dedicated broadband levy of \$307,011, and amounts collected on behalf of the Region and School Boards.

DISCUSSION

To enable the billing of final taxes for 2021, a by-law is required to establish the levy, due dates and other administrative needs regarding the Final property tax amounts. The tax rates set out in the attached schedules for the Town and Region are based on the 2021 budget requirements. The Education tax rates are set by the Province through regulation.

The Region of Peel delegated to the Council of each area municipality in Peel the authority to pass a by-law establishing tax ratios as per the Regional by-law number 1-2021 dated January 14, 2021. The Town of Caledon's 2021 property tax ratios are presented in Staff Report 2021-0084 for approval by Council on May 18, 2021. Once all of the required by-laws and regulations have been passed, the municipal Council may levy its taxes, In accordance with the *Municipal Act, 2001*.

Section 290 of the *Municipal Act, 2001, as amended*, states that a local municipality shall in each year prepare and adopt a budget including estimates of all sums required during the year for the purposes of the municipality. On February 16, 2021 council approved the Town's 2021 budget, including the continuation of a separate levy to support the growth of broadband services in Caledon. The broadband levy is projected to generate \$307,011 in 2021.

The Province of Ontario sets the education rates to support the four local school boards. Ontario Regulation 400/98 under the *Education Act* established the education tax rates for all property classes in 2021.

The Province announced through the 2020 Ontario Budget, released on November 5, 2020 a reduction of the high Business Education Tax (BET) rate to a rate of 0.88% in 2021. In 2020, the commercial education rate was 0.944727% and for industrial properties this was 1.066032%. For a commercial taxpayer, this decrease results in a savings of approximately \$65 for every \$100,000 of assessment. For industrial taxpayers, this results in savings of \$186 for every \$100,000 in assessment. To ensure municipalities were not negatively impacted by BET reductions, the Province will maintain BET rates at the 2020 BET rate for properties whose payments in lieu of education taxes municipalities are permitted to retain. The Province will also adjust payments to school boards to offset the reduction in education property taxes to ensure there is no financial impact on school boards.

The Region of Peel adopted their estimates of all sums required for 2021 for the purposes of the Regional Corporation and provided a general levy and special levies on lower tier municipalities on April 8, 2021.

Caledon, as a lower-tier municipality, is required to collect the Regional and Education tax levies and forward levy amounts to the Region and School Boards regardless of whether tax payments are actually received by the Town. That is, in situations where a taxpayer is in arrears, the Town essentially up-fronts payments to the Region and School Boards. Section 342 of the *Municipal Act, 2001* allows the ability to collect taxes in one payment or by installments. The Town of Caledon has elected to have four installments per year – two installments representing the interim billing and two installments for the final billing.

Due Dates

The 2021 final tax levy will be payable in two (2) installments due July 8, 2021 and September 2, 2021. This will reflect the 2020 assessed value, including any changes of the property for 2021 as well as the 2021 tax rates. The amount of the 2021 Interim Tax Bill will be deducted from the total levied with the balance being the 2021 Final Tax Bill.

The properties enrolled in one of the Town of Caledon's 10-month Pre-authorized Tax Payment Program will have payments adjusted to reflect the final tax bill with payment spread over July to October. Payments will continue to be withdrawn from their chosen bank account on the first or the fifteenth of each month for owners on this plan. Payments for properties on the special pre-authorized plan for tax arrears will be re-calculated to reflect any changes as a result of the 2021 final billing.

The final 2021 property tax bills will be produced and mailed the week of June 1, 2021, which meets the notice/timing requirements of the *Municipal Act*, given the recommended installment due dates.

Ongoing COVID-19 Property Tax Relief

The Town continues to offer assistance to taxpayers who are facing financial difficulties as a result of the COVID-19 pandemic. These include:

- 1) A special 2021 pre-authorized payment plan to provide qualifying taxpayers a path to pay their outstanding tax balances without late payment fees;
- 2) An application based, deferral of property tax payments for 2021 with no late payment fees.

More information and applications for both programs continue to be available at caledon.ca/tax.

FINANCIAL IMPLICATIONS

The tax rates indicated in Schedule A will generate a total 2021 levy of \$180,336,869 from all the various property classes, allocated as follows:

Town	\$ 75,366,068
Broadband	307,011
Region	55,232,397
Education	49,431,393
Total	<u>\$ 180,336,869</u>

Adjusting for the interim tax billing, the overall final tax billing will be approximately \$90,523,872. From this amount, the Town will pay the Region and School Boards share. The Region of Peel's final payment due dates are July 9 and September 3, 2021. The School Board's requisition final due dates are September 30 and December 15, 2021.

As approved by Council on March 23, 2021 in Staff Report 2021-0044 Bolton Business Improvement Area Proposed 2021 Operating Budget, the final tax levy by-law will include a special tax rate levy for businesses within the Bolton Business Improvement Area (BIA) totaling the BIA's approved 2021 levy of \$36,000. Payments from the Town of Caledon to

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the Bolton BIA for 2021 are due the day following the Town's property tax due dates, pending approval of the BIA's 2020 financial statements.

COUNCIL WORK PLAN

Subject matter is not relevant to the Council Workplan.

ATTACHMENTS

Schedule A: 2021 Town of Caledon Property Tax Rates

Schedule B: Town of Caledon 2021 New Construction Property Tax Rates