

Staff Report 2023-0216

Meeting Date: May 9, 2023
Subject: 2023 Property Tax Rates
Submitted By: Hillary Bryers, Acting Treasurer, Finance

RECOMMENDATION

That the final property tax rates as identified in Schedule A and Schedule B to Staff Report 2023-0216 be approved;

That the final property tax due dates be established as Thursday July 6, 2023 and Thursday September 7, 2023; and

That a by-law be enacted for the levy and collection of the 2023 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.
- 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 2023 education rates.
- The final property tax due dates are proposed to be Thursday July 6 and Thursday September 7, 2023.
- The total levy for 2023 is \$202,951,892 inclusive of the Town's general levy of \$85,490,940, and amounts collected on behalf of the Region and School Boards. The separate levy to support the growth of broadband services in Caledon was discontinued for 2023.

DISCUSSION

To enable the billing of final taxes for 2023, 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 2023 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 2-2023 dated January 12, 2023. The Town of Caledon's 2023 property tax ratios were presented in Staff Report 2023-007 and approved by Council on January 31, 2023. Once the required by-laws and regulations have been passed, the municipal Council may levy its taxes.

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 28, 2023, Council approved

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the Town's 2023 budget. The broadband levy which had been separately levied in previous years is no longer required and has been discontinued for the 2023 taxation year.

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 2023.

The Region of Peel adopted their estimates of all sums required for 2023 for the purposes of the Region and provided a general levy and special levies on lower tier municipalities on April 13, 2023.

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 2023 final tax levy will be payable in two (2) installments due July 6, 2023 and September 7, 2023. This will reflect the 2023 assessed value, including any changes of the property for 2023 as well as the 2023 tax rates. The amount of the 2023 Interim Tax Bill will be deducted from the total levied with the balance being the 2023 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 2023 final billing.

The final 2023 property tax bills will be produced and mailed the week of June 1, 2023, which meets the notice/timing requirements of the *Municipal Act*, given the recommended installment due dates.

FINANCIAL IMPLICATIONS

The tax rates indicated in Schedule A will generate a total 2023 levy of \$202,951,892 from all the various property classes, allocated as follows:



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Town	\$ 85,490,940
Region	63,078,243
Education	54,382,709
Total	<u>\$ 202,951,892</u>

Adjusting for the interim tax billing, the overall final tax billing will be approximately \$104,261,099. From this amount, the Town will pay the Region and School Boards share. The Region of Peel's final payment due dates are July 7 and September 8, 2023. The School Board's final due dates are September 30 and December 15, 2023.

As approved by Council on April 4, 2023 in Staff Report 2023-0083 Bolton Business Improvement Area Proposed 2023 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 2023 levy of \$49,740. Payments from the Town of Caledon to the Bolton BIA for 2023 are due the day following the Town's property tax due dates, pending approval of the BIA's 2022 financial statements.

COUNCIL WORK PLAN

Not applicable

ATTACHMENTS

Schedule A: 2023 Town of Caledon Property Tax Rates