

To: Finance Committee

From: Stephanie Sinnott, Commissioner,
Finance Services

Report Number: FIN-22-83

Date of Report: September 14, 2022

Date of Meeting: September 20, 2022

Subject: 2023 Interim Tax Levying By-law

Ward: All Wards

File: 03-05

1.0 Purpose

The purpose of this report is to obtain City Council approval for a by-law to implement and collect the interim tax levy for the year 2023.

2.0 Recommendation

That the Finance Committee recommend to City Council:

That the 2023 Interim Tax Levying By-law as outlined in Attachment 1 to Report FIN-22-83 dated September 14, 2022 concerning the 2023 Interim Tax Levying By-law be approved.

3.0 Executive Summary

Not applicable.

4.0 Input From Other Sources

Legal Services has reviewed the form and content of the by-law.

5.0 Analysis

Section 317(3) of the Municipal Act, 2001, S. O. 2001, c. 25 ("Municipal Act, 2001") outlines the requirements of a municipality when adopting a by-law to collect an interim tax levy, as specifically provided: "the amount levied on a property shall not exceed the prescribed percentage or fifty per cent if no percentage is prescribed, of the total amount of taxes for municipal and school purposes levied on the property for the previous year."

To enable the City to bill and collect the 2023 interim tax levy, Council approval of the 2023 Interim Tax Levying By-law is required to meet the legislative deadline for mailing prior to the first extract, being January 1, 2023.

The By-law, as outlined in Attachment 1, sets the following collection due dates:

- First Interim Installment – February 28, 2023
- Second Interim Installment – April 28, 2023

OR

- Six installments for the monthly pre-authorized tax payment plan based on property owner's selection of the 1st or the 15th, or the next subsequent business day in the event of a statutory holiday, of the months of January, February, March, April, May and June, 2023.

The Regional report for Interim Regional Property Tax Levy recommended, in part:

A) That a 2023 interim Regional property tax levy be imposed on the lower tier municipalities for all property classes; and,

B) That the amount due from each lower-tier municipality is estimated to be equivalent to 50% of their respective share of the Regional property tax collected in 2022;

The Regional tax levy is estimated to be presented to Regional Council at the Council Meeting scheduled in late 2022.

6.0 Financial Implications

The interim tax levy calculation is based on an estimate of 50% of the 2022 taxes and will produce tax levies of approximately \$75,086,000 for City purposes, \$78,666,000 for Regional purposes, and \$28,895,000 for Education purposes.

7.0 Relationship to the Oshawa Strategic Plan

This report supports the Oshawa Strategic Plan goals of Accountable Leadership, Economic Prosperity and Financial Stewardship to the extent that it is consistent with sound financial management.



Stephanie Sinnott, Commissioner,
Finance Services



**By-Law _____ - 2022
of The Corporation of the City of Oshawa**

Being a by-law for the implementation and collection of an interim tax levy for 2023 ("2023 Interim Tax Levying By-law").

WHEREAS it is expedient for The Corporation of the City of Oshawa to provide for the levy and collection of interim taxes for the year 2023 and to impose penalties and interest on all arrears of taxes pursuant to Sections 317, 342, 343, 345, 346, 347 and 355 of the *Municipal Act, 2001*, S.O. 2001, c.25, as amended;

AND WHEREAS Section 317 of the *Municipal Act, 2001*, S.O. 2001, c.25, as amended, provides for an interim levy on the assessment of real property in the municipality ratable for local municipality purposes of a sum not exceeding fifty (50) percent of the total amount of taxes for municipal and school purposes levied on a property for the previous year;

AND WHEREAS Section 317 of the *Municipal Act, 2001*, S.O. 2001, c.25, as amended provides for the adjustment in the calculation of the taxes for the previous year for the purposes of calculating an interim levy;

AND WHEREAS Section 317 of the *Municipal Act, 2001*, S. O. 2001, c.25, as amended, provides for an interim levy on the assessment for real property added to the tax roll for the current year that was not on the assessment roll in the previous year;

NOW THERFORE the Council of the Corporation of the City of Oshawa ENACTS as follows:

1. For the purpose of this 2023 Interim Tax Levying By-law, including the annexed schedule:
 - (a) "Municipal Act, 2001" means the *Municipal Act, 2001*, S. O. 2001, c. 25, as amended;
 - (b) "Treasurer" means the City's Commissioner, Finance Services; the Director of Finance; or the Manager, Taxation Services;
 - (c) "City" means The Corporation of the City of Oshawa;
 - (d) "Council" means the elected Council of the Corporation of the City of Oshawa;

- (e) “Prior Annualized Taxes” means tax levies, including capping adjustments, where applicable, billed in the previous year and adjusted for any previous year’s supplementary taxes and tax cancellations as if they had applied for the entire year.

2.

- a. There shall be levied, and collected, an amount on the assessment of property within the City. This assessment will be according to the tax roll for taxation in the previous year as most recently revised before this 2023 Interim Tax Levying By-law is passed; provided the amount levied shall not exceed fifty percent of the total amount of taxes for municipal and school purposes levied on the property for the previous year.
 - b. For the purpose of calculating the total amount of taxes for the previous year under subsection 2a., if any taxes for municipal and school purposes were levied on the property for only part of the previous year, because assessment was added to the tax roll during the year. An amount shall be added equal to the additional taxes that would have been levied on the property if the taxes for municipal and school purposes had been levied for the entire year.
3. For tax accounts added to the tax roll for the current year that were not on the assessment roll upon which the amounts under Section 2 are levied, the amount levied shall be calculated using fifty per cent of the prior year’s applicable tax rate, against phased-in assessment, as most recently revised prior to billing.
4. For properties where the assessed value of the property provided on the most recently returned assessment roll has been revised over the previous year’s assessed value, the amount levied shall be calculated using fifty percent of the prior year’s applicable tax rate against phased-in assessment, as most recently revised prior to billing.
5. Notwithstanding Sections 2, 3, and 4 of this 2023 Interim Tax Levying By-law, where the interim levy taxes to be imposed on a property would be less than twenty-five (25) dollars, the amount of actual taxes payable shall be zero.
6. The City shall, as permitted by Provincial legislation, add to the tax roll all or any arrears of charges, fees, costs, or other expenses. Such arrears of charges, fees, costs or other expenses shall be deemed to be taxes, collected as taxes, or collected in the same manner as municipal taxes, or dealt with in such fashion as may be authorized by the applicable Provincial legislation.

7. The taxes levied under this 2023 Interim Tax Levying By-law shall be collected on the following dates:
 - a. Two (2) installments: first interim installment on February 28th, 2023; second interim installment on April 28th, 2023; or,
 - b. Six (6) installments for the monthly pre-authorized tax payment plan based on property owner's selection of the 1st or the 15th, or the next subsequent business day in the event of a statutory holiday, of the months of January, February, March, April, May and June, 2023. This City of Oshawa Taxation Services administered, pre-authorized tax payment plan agreement must be entered into prior to November 1st, 2022.
8. Payment received on account of taxes shall be applied as follows:
 - a. Payment shall first be applied against penalty and interest charges owing according to the length of time the charges have been owing, with the charges imposed earlier being discharged before charges imposed later;
 - b. Payment shall then be applied against the taxes owing (including any items referred to in Section 6 of this 2023 Interim Tax Levying By-law, which have been added to the tax roll) according to the length of time they have been owing. The taxes (including any items referred to in Section 6 of this 2023 Interim Tax Levying By-law, which have been added to the tax roll) imposed earlier being discharged before taxes (including any items referred to in Section 6 of this 2023 Interim Tax Levying By-law which have been added to the tax roll) imposed later.
9. The Treasurer is hereby authorized to mail, by regular mail or electronically, every tax notice or cause the same to be mailed to the address of the property as shown on the tax roll or to an alternate address, or provide electronic e-Bill notification, as directed in writing by the property owner.
10. Any installment or part of any installment of taxes not paid on or before the day prescribed by section 7 of this 2023 Interim Tax Levying By-law for payment of such installment shall be subject to a percentage charge which shall be added to and collected with the taxes and which shall be calculated as one and one-quarter per cent (1¼%) of such installment or part of such installment on the first day of default. Any installment or part of any installment of taxes not paid on or before the day prescribed by section 3 of this 2023 Interim Tax Levying By-law for payment of such installment shall also be subject to an interest charge which shall be added to and collected

with the taxes and which shall be calculated as one and one-quarter per cent (1¼%) of such installment or part of such installment on the first day of each calendar month thereafter in which default continues.

11. The Treasurer may accept part payment from time to time on account of any rates and assessments and may give a receipt for that payment. Notwithstanding the foregoing, acceptance of any part payment shall not affect the collection of the percentage charge imposed and collectable under section 4 of this 2023 Interim Tax Levying By-law in respect of non-payment of any taxes or any installment of taxes. In accordance with Part XI of the *Municipal Act, 2001* partial payment acceptance excludes tax accounts currently under this provision.
12. The property taxes imposed by this 2023 Interim Tax Levying By-law may be paid either in full or by the installments, as provided by section 7 of this by-law, to the credit of the Treasurer of the City and at any City of Oshawa branch of any Chartered Bank of Canada or Trust Company.
13. The Treasurer shall cause to be mailed to the address of the residence or place of business of the person taxed, the tax notice as contemplated by subsection 343(6) of the *Municipal Act, 2001*. No defect, error or omission in the form or substance of a tax bill invalidates any proceedings for the recovery of the taxes as per subsection 343(10) of the *Municipal Act, 2001*.

Where the Treasurer shall have failed or omitted to collect the taxes or any portion of the taxes on the day appointed for the return of the collector's roll, the Treasurer is authorized to continue the levy and collection of the unpaid taxes, penalties and interest in the manner and with the powers provided by law for the general levy and collection of taxes.

14. If any section or portion of this 2023 Interim Tax Levying By-law is found by a court of competent jurisdiction to be invalid, it is the intent of council for the City that all remaining sections and portions of this 2023 Interim Tax Levying By-law continue to be in force and effect.

This 2023 Interim Tax Levying By-law shall be effective on November 1, 2022.

This 2023 Interim Tax Levy By-law shall remain in force until it is repealed.

By-law passed this ____ day of _____, 2022.

Mayor

City Clerk