



The Corporation of the Township of King Report to Council

From: Finance Department
Report Number: FIN-2024-019
Date: Monday, December 9, 2024
Title: **2025 Interim Tax Billing**

Recommendation

1. That Report Number FIN-2024-019 be received; and
2. That By-law 2024-103, being a By-law to Authorize and Provide for an Interim Tax Levy in 2025, be approved.

1. Report Highlights

- The 2025 Interim Tax Levy By-law allows for the Township to levy an interim tax billing to provide sufficient cash flow to meet the Township's financial obligations.
- The 2025 interim tax levy will be fifty (50) per cent of the prior year's annualized property taxes. This equates to approximately \$20 million for the Township.
- The due dates for the interim levy will be Wednesday February 19, 2025, and Wednesday April 23, 2025.

2. Purpose

The purpose of this report is to seek approval of the 2025 Interim Property Tax Levy By-law 2024-103, that authorizes the issuance of interim tax notices in January of 2025.

3. Background

Section 317 (1) of the Municipal Act, 2001, S.O. 2001, C.25 as amended, provides that the Council of a local municipality may, before adopting annual estimates for the current taxation year, pass a by-law to levy on taxable properties (based on assessment) for local municipal purposes.

The interim property tax levy is fifty (50) per cent of the prior year's annualized property taxes.

Annualized property taxes reflect property taxes levied against a property's final billing for the prior year, including all tax adjustments due to supplementary assessment, as well as from any form of assessment appeal. For properties that are new to the assessment roll for the current assessment/taxation year, and were not assessed in the prior year, fifty (50) per cent of the previous year's tax rate for the applicable assessment class will be applied to the

property's 2024 assessed value, as determined by MPAC, for purposes of billing an interim tax levy amount.

4. Analysis

In a manner consistent with the Township's past practice, the 2025 interim tax levy will be payable in installments, based on the billing and payment plan applicable to each property. The due dates for the interim tax billing will be Wednesday, February 19, 2025 and Wednesday April 23, 2025. For the pre-authorized deduction plan it is due in five (5) equal installments on the 1st business day in each of the following months: February, March, April, May and June of 2025.

The 2025 final tax rates will be established following the approval of the Township's 2025 Operating Budget, as well as those budgetary approvals provided by the York Region and Province of Ontario. The latter of which pertaining specifically to tax rate setting procedures for the purpose of determining the levy requirements for publicly funded Boards of Education. Any amount levied and paid as part of the 2025 Interim Property Tax Levy will be deducted from the 2025 final property tax levy.

5. Financial Considerations

The interim property tax levy by-law provides the authority to access required sources of general municipal revenues to support the Township, York Region and, Boards of Education operating and capital expenditure requirements prior to issuance of the final property tax notice.

The 2025 interim property tax levy will generate approximately \$20 million for Township purposes. Properties that will be assessed for the first time in 2024 will have fifty (50) percent of the 2024 tax rate applied to the property's 2024 assessment value, based on the property's applicable assessment class for purposes of generating a 2025 interim tax levy notice.

6. Alignment to Strategic Plan

The 2023-2026 Corporate Strategic Plan (CSP) was adopted by Council on June 12, 2023. The CSP reflects the priorities of utmost importance to the community and defines the obligations and commitments of the Township of King to its citizens and to the public. The CSP is aligned with the Townships long-term vision defined in the "Our King" Official Plan. The CSP also aims to ensure that staff initiatives focus on and work towards supporting King's Vision, Mission and Values.

This report is in alignment with the CSP's Priority Area(s), and/or associated Objective(s) and/or Key Results(s):

Priority Area: Service Excellence

Objective: Enhance Citizen Service Experiences.

This specific report is required to maintain business continuity across all service areas, which indirectly supports all Strategic Plan priority areas.

7. Conclusion

The 2025 Interim Tax Levy By-law allows for the Township to levy an interim tax billing to provide sufficient cash flow to meet the Township's financial obligations, as well as the obligations of York Region and the publicly funded Boards of Education, until the final tax levy rates are set and final tax billings issued.

8. Attachments

Not Applicable

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Recommended by:

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Director of Finance/ Treasurer

Approved for submission by:

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