

Town of Whitby

Staff Report

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Report Title: 2023 Property Tax Rates and Final Billing Due Dates

Report to: Committee of the Whole

Date of meeting: April 3, 2023

Report Number: FS 12-23

Department(s) Responsible:

Financial Services Department

Submitted by:

Fuwing Wong, Commissioner, Financial Services, Treasurer

Acknowledged by M. Gaskell, Chief Administrative Officer

For additional information, contact:

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1. Recommendation:

1. That the property tax rates for the year 2023, General Municipal Town Levies be approved as indicated in Attachment A to Report FS 12-23;
2. That the special tax levy and tax rates for the year 2023 for the properties located within the Downtown Whitby Business Improvement Area (BIA) be approved as indicated in Attachment B to Report FS 12-23;
3. That the final tax bill due dates for the Residential, Farmland, Pipeline and Managed Forest tax classes be June 26, 2023 and September 25, 2023;
4. That the final tax bill due dates for the capped tax classes (Commercial, Industrial and Multi-Residential) also be established for June 26, 2023 and September 25, 2023;
5. That prior to the issuance of the final tax bills, the Treasurer be authorized to adjust the due dates for the capped tax classes only and notify Council at the earliest opportunity; and,
6. That a by-law for the General Municipal Town Levies and a separate bylaw for the Special Tax Levy in support of the Downtown Whitby BIA,

to set the due dates and levy rates for 2023 in accordance with the approved budgets and regulations, be brought forward at a future Council meeting.

2. Highlights:

- The Town of Whitby levies property taxes to fund programs and services. The annual municipal priorities are established through the annual budget process and the amount of property taxes required to be levied are established at the same time.
- These tax rates are calculated based on the Current Value Assessments (“**CVA**”) as determined by the Municipal Property Assessment Corporation (“**MPAC**”) and the tax ratios set by the Region of Durham.
- The Town also levies a Special Tax Levy from properties within the Downtown Whitby Business Improvement Area (“**BIA**”) to fund programs and services provided by the Downtown Whitby BIA Board of Management (“**BIA Board**”).

3. Background:

Municipal Levy:

The Town of Whitby adopted its 2023 Current and Capital Budgets at a meeting held on February 16, 2023.

As of the drafting of this report (March 27, 2023), the Region of Durham’s 2023 budget has not been approved yet. However, the Region of Durham is planning to adopt its 2023 Current and Capital Budgets for General Tax Purposes on March 29, 2023. As the Town also collects property taxes on behalf of the Region of Durham, final 2023 property tax bills (issued by the Town) will be subject to approved Regional by-laws related to their 2023 general tax rates, tax rates for Transit Commission, and Solid Waste Management purposes and property tax ratios.

The final Education tax rates for all classes are established by regulation by the Province of Ontario.

Section 312(2) of the Municipal Act, S.O. 2001 c 25, as amended provides that for purposes of raising the general local municipal levy, a local municipality shall, each year, pass a by-law levying a separate tax rate, as specified in the by-law, on the assessment in each property class in the local municipality ratable for local municipal purposes.

Special Tax Levy for the Downtown Whitby Business Improvement Area (BIA):

By-law 7268-17 established a Downtown Whitby BIA in accordance with Subsection 204 of the Municipal Act.

Section 208 (1) of the Municipal Act, provides that the municipality shall annually raise the amount required for the purposes of a board of management, including any interest payable by the municipality on money borrowed by it for the purposes of the board of management.

The amount to be raised for the Downtown Whitby BIA will be a special tax levy, which is payable by property owners within the defined Downtown Whitby Business Improvement Area, in addition to the Town's general tax levy.

The Whitby Downtown BIA's 2023 budget was approved by Town of Whitby Council on March 20, 2023 as part of Staff Report FS 11-23. The proposed Special Tax Levy rates outlined in Attachment B attached to this report is in addition to the Town, Region, and Education property taxes. Funds collected from the Special Tax levy will be transferred to the Downtown Whitby BIA Board for the provision of enhanced services and events in the Downtown Whitby Business Improvement Area.

4. Discussion:

The property tax rates for the Town of Whitby have been calculated as indicated in Attachment A, attached to this report. Further, tax rates for a Special Tax Levy, in support of the Downtown Whitby BIA, are included in Attachment B, attached to this report.

The tax rates for the Region of Durham general purposes, Region of Durham, Transit Commission and Region of Durham waste purposes are anticipated to be passed by Regional Council on March 29, 2023.

The tax rate for Education purposes have been regulated by the Province.

The final tax rates for 2023 are based on the reassessment values completed by MPAC in 2016. The reassessment that was scheduled to be completed in 2020 to update these values was delayed by the Provincial government due to the COVID-19 pandemic. Accordingly, 2023 property taxes will be calculated with the same assessment base as 2020, 2021 and 2022.

Due Dates:

The Final Tax Billing for the Residential, Farmland, Pipeline and Managed Forest tax classes will be issued with tax installment due dates of June 26, 2023 and September 25, 2023.

It is also recommended that properties in capped tax classes, e.g., Commercial, Industrial, and Multi-Residential tax classes, have the same property tax due dates of June 26, 2023 and September 25, 2023. However, the Commercial, Industrial, and Multi-Residential tax classes may require later payment due dates as these tax classes require additional Region-wide capping calculations to be completed before final tax bills may be issued. That is, the Region of Durham is not able to finalize these calculations until each of the eight lower tier

municipalities have finalized their annual tax rates and signed off on their individual capping verifications. Once these are completed by all of the lower tier municipalities in Durham, the Region of Durham, and the Province, through the Online Property Tax Analysis system, can verify and finalize the capping calculations. The final capping calculations are required by the Town before calculating and issuing final tax bills for the Commercial, Industrial, and Multi-Residential tax classes.

The Municipal Act requires tax bills to be sent a minimum of 21 prior to the due date. Accordingly, any delays in the capping calculations (noted above) may require a change in the payment due dates for properties in the capped tax classes. It is recommended that the Treasurer be authorized to adjust the due dates, for the capped tax classes only, should this be required. This adjustment would be known prior to the issuance of the final 2023 tax bills for properties in the capped tax classes so the final tax bills will reflect the appropriate dates. Adjustments will be communicated to Council at the earliest opportunity.

As in prior years, the Special Tax Levy for the Downtown Whitby BIA will also be issued (only to properties within the Downtown Whitby Business Improvement Area) as part of the capped billing with the same due dates as the commercial, industrial, and multi-residential property tax classes.

5. Financial Considerations:

The property tax levies for Town purposes, as per the approved 2023 budget requirements for the Town of Whitby are \$118,836,304.00. Tax rates based on this levy, current value assessments for the various tax classes, and tax ratios expected to be approved by the Region on March 29, 2023 have been calculated (as shown in Attachment A) and will be included in a future by-law for Council adoption. Should Regional tax ratios change from what is currently proposed for the March 29, 2023 Region of Durham meeting, Town of Whitby staff will re-calculate the Town's general tax levy and special tax levy rates based on the approved tax ratios.

The Special Tax Levy for Downtown Whitby Business Improvement Area purposes is included in Attachment B to this report and will also be included in a future by-law for Council adoption.

Similar to the 2020, 2021 and 2022 taxation years, the average residential property CVA in Whitby is \$503,000. The Town's portion of property taxes on the average residential tax bill in 2023 is \$2,096.87, or \$416.87 per \$100,000 of residential CVA.

The Special Tax Levy for the Downtown Whitby Business Improvement Area is \$176.07 per \$100,000 of commercial CVA for the impacted properties.

6. Communication and Public Engagement:

In addition to mailing tax bills, the Town will advertise the tax installment due dates on the Town's page in both the Whitby this Week newspaper and the Brooklin Town Crier prior to each non-capped due date. Town staff will also utilize the website and social media to assist with this communication.

7. Input from Departments/Sources:

N/A

8. Strategic Priorities:

By levying these taxes it will continue to support Council's Goal to continue the Whitby tradition of responsible financial management and respect for taxpayers.

9. Attachments:

Attachment A - 2023 General Municipal Town Tax Rates

Attachment B – 2023 Downtown Whitby BIA Special Tax Levy Rates