

# Town of Whitby

## Staff Report

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### Report Title: 2024 Property Tax Rates and Final Billing Due Dates

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**Report to:** Committee of the Whole

**Date of meeting:** April 8, 2024

**Report Number:** FS 12-24

**Department(s) Responsible:**

Financial Services Department

**Submitted by:**

Fuwing Wong, Commissioner, Financial Services, Treasurer

<b>Acknowledged by M. Gaskell, Chief Administrative Officer</b>
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**For additional information, contact:**

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#### 1. Recommendation:

1. That the 2024 property tax rates for the General Municipal Town Levies, shown in Attachment A of Report FS 12-24, be approved;
2. That the special tax levy and tax rates for the year 2024 for the properties located within the Downtown Whitby Business Improvement Area (BIA), shown in Attachment B of Report FS 12-24, be approved;
3. That the final property tax bill due dates all property tax classes be June 24, 2024 and September 24, 2024;
4. That prior to the issuance of the final tax bills, the Treasurer be authorized to adjust the due dates and notify Council at the earliest opportunity; and,
5. That a by-law for the General Municipal Town Levies and a separate by-law for the Special Tax Levy in support of the Downtown Whitby BIA, to set the due dates and levy rates for 2024 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 included in the annual budgets approved by Council. After the budget is approved, tax rates are established to calculate property taxes required to fund the budget.
- 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 2024 Current and Capital Budgets at a meeting held on February 15, 2024.

As of the drafting of this report (March 19, 2024), the Region of Durham’s 2024 budget has not been approved yet. However, the Region of Durham is planning to adopt its 2024 Current and Capital Budgets for General Tax Purposes on March 27, 2024. As the Town also collects property taxes on behalf of the Region of Durham, final 2024 property tax bills (issued by the Town) will be subject to approved Regional by-laws related to their 2024 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 that are in one of the prescribed business property classes, in addition to the Town's general tax levy.

The Whitby Downtown BIA's 2024 budget is also on the Town of Whitby's April 8, 2024 Committee agenda (see Staff Report FS 12-24) and is subject to Council approval. The proposed Special Tax Levy rates outlined in Attachment B attached to this report are in addition to the Town, Region, and Education property taxes. Funds collected from the Special Tax levy will be transferred to the 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 general municipal levy have been calculated to support the town's approved 2024 budget (see Attachment A). Further, tax rates for a Special Tax Levy, in support of the Downtown Whitby BIA 2024 budget are included in Attachment B.

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 27, 2024.

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

The final tax rates for 2024 are based on the reassessment values completed by MPAC in 2016. A province-wide reassessment was scheduled to be completed, by MPAC, in 2020 to update the 2016 values. However, the Province of Ontario delayed the province-wide reassessment due to the COVID-19 pandemic. Province-wide reassessments are currently still on hold while the Province reviews the accuracy and fairness of the property reassessment system/methodology. Accordingly, 2024 property taxes will be calculated with the same assessment base as the years 2020 - 2023.

#### **Due Dates:**

The Final Tax Billing for all tax classes will be issued with tax installment due dates of June 24, 2024 and September 24, 2024.

The Municipal Act requires tax bills to be sent a minimum of 21 days prior to the due date. Accordingly, any delays in the billing process may require a change in the payment due dates for all properties. It is recommended that the Treasurer be authorized to adjust the due dates, should this be required. This adjustment would be known prior to the issuance of the final 2024 tax bills. 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 and in one of the prescribed business property tax classes) as part of the final billing with the same due dates as all other business property tax classes.

**5. Financial Considerations:**

The property tax levy for Town purposes, as outlined in the approved 2024 budget, totals \$126,467,696.00. 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 27, 2024) have been calculated (see 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 27, 2024 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 for the Council by-law and provide a memo on the changes.

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 - 2023 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 2024 is \$2,189.00, or \$435.23 per \$100,000 of residential CVA.

The Special Tax Levy for the Downtown Whitby Business Improvement Area is \$183.52 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 the Brooklin Town Crier prior to each 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:**

N/A

**9. Attachments:**

Attachment A - 2024 General Municipal Town Tax Rates

Attachment B – 2024 Downtown Whitby BIA Special Tax Levy Rates