



Staff Report

Finance and IT Services

Report To: Special Meeting of Council
Meeting Date: March 30, 2020
Report Number: FAF.20.063
Subject: 2020 Tax Interim Bill and Utility Bill
Prepared by: Ruth Prince, Director of Finance and IT Services

A. Recommendations

THAT Council receive Staff Report FAF.20.063, entitled "2020 Tax Interim Bill and Utility Bill";

AND THAT Council approve the draft by-law attached to Staff Report FAF.20.063 for enactment at the March 30, 2020 Special Meeting of Council, to amend By-Law 2020-3 "Being a By-law to levy amounts on the assessment of property rateable for local municipality purposes, and to further provide for percentage charge and interest charge in default of payment thereof" as noted below:

- i. to change the second instalment date referenced in paragraph 2) of By-Law 2020-3 to "the 30th day of June, 2020";
- ii. to replace the current paragraph 6) of By-Law 2020-3 to read as follows:

6) That no interest or penalty be imposed for the non-payment of taxes until June 30, 2020, it being noted that interest will be waived for the months of April, May and June, 2020. Subsequent to June 30, 2020, unless there is a further amendment to this bylaw, on the first day of each month , interest charges in the amount of 1.25 per cent of the amount of taxes due and unpaid, shall be imposed on the amount of taxes due and unpaid as long as the default continues.
- iii. to replace the current paragraph 7) of By-Law 2020-3 to read as follows:

7) That no interest be charged until June 30, 2020, it being noted that interest will be waived for the months of April, May and June, 2020. Subsequent to June 30, 2020, unless there is a further amendment to this by-law, interest charges in the amount of 1.25 per cent each month of the amount of taxes due and unpaid, shall be imposed on the amount of taxes due and unpaid on the first day of each and every month the default continues.

B. Overview

This report is seeking authorization from Council to waive the penalty and interest on property tax and utility billings from April 1, 2020 to June 30, 2020 and to change the second property interim due date from May 27, 2020 to June 30, 2020.

C. Background

On January 27, 2020 Council passed the Interim By-law 2020-3 to levy amounts on the assessment of property and to provide for the percentage charge for penalty and interest.

The first installment of the interim tax bill was March 27, 2020 and the second installment is due May 27, 2020. In light of the recent events of COVID-19 on our community, staff are recommending to Council that the second interim payment of property tax be changed from May 27, 2020 to June 30, 2020. Staff is also recommending the waiving of penalty and interest from April 1, 2020 to June 30th 2020 for both property tax and utility billing.

D. Analysis

We recognize the economic impact of the COVID-19 Pandemic on the community. For this reason, the second interim due date is being recommended to be extended to June 26th and penalty and interest is being waived until June 30, 2020.

E. The Blue Mountains' Strategic Plan

Goal #4: Promote a Culture of Organizational and Operational Excellence
Objective #4: To Be a Financially Responsible Organization

F. Environmental Impacts

N/A

G. Financial Impact

The estimated loss of penalty and interest for 3 months (April to June) on the property tax is \$100,000 and for water and wastewater it is \$7,000.

H. In consultation with

Kris Couture, Manager of Revenue
Sam Dinsmore, Deputy Treasurer, Manager of Accounting and Budgets
Shawn Everitt, Chief Administrative Officer

I. Public Engagement

The topic of this Staff Report has not been subject to a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required.

Comments regarding this report should be submitted to Ruth Prince, Director of Finance and IT Services at directorfit@thebluemountains.ca.

J. Attached

1. By-law 2020-3 Being a By-law to levy amounts on the assessment of property rateable for local municipality purposes, and to further provide for percentage charge and interest charge in default of payment thereof;
2. Draft By-law to amend By-law 2020-3

Respectfully Submitted,

Ruth Prince
Director of Finance and IT Services

For more information, please contact:
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The Corporation of The Town of The Blue Mountains

By-law Number 2020 – 3

Being a By-law to levy amounts on the assessment of property rateable for local municipality purposes, and to further provide for percentage charge and interest charge in default of payment thereof

Whereas Section 317 of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended (the Act) authorizes a local municipality, before the adoption of the estimates for the year under Section 290, to pass a By-law levying amounts on the assessment of property in the local municipality rateable for local municipality purposes;

And Whereas the amount levied on a property shall not exceed the prescribed percentage, or 50 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;

And Whereas the percentage established in the previous recital may be different for different property classes but shall be the same for all properties in a property class;

And Whereas for the purposes of calculating the total amount of taxes for the previous year, if any taxes for municipal and school purposes were levied on a 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;

And Whereas Section 342 of the Act authorizes a municipality to provide for the payment of taxes in one amount or by instalments and the date or dates in the year for which the taxes are imposed on which the taxes or instalments are due;

And Whereas Section 342 of the Act authorizes a local municipality to provide for alternative instalments and due dates in the year for which the taxes are imposed other than those established under the previous recital to allow taxpayers to spread the payment of taxes more evenly over the year;

And Whereas Section 345 of the Act authorizes a local municipality to impose late payment charges for the non-payment of taxes or any instalment by the due date;

Now Therefore the Council of The Corporation of the Town of The Blue Mountains hereby enacts as follows:

- 1) That there shall be levied an amount on the assessment of all properties rateable for local municipality purposes an interim levy based on 50% of the total amount of taxes for municipal and school purposes levied on the property for 2019, as adjusted.
- 2) That the taxes imposed by this By-law shall be paid in two instalments upon the following dates:
 - One-half thereof on the 27th day of March, 2020; and
 - One-half thereof on the 27th day of May, 2020.
- 3) That an amount levied under this By-law on a property in a year shall be deducted from any subsequent amounts levied on the property for the year that are payable to the local municipality.
- 4) That alternative instalments and due dates in the year for which the taxes are imposed other than those established under clause 2 are:
 - One tenth of the total amount of taxes for municipal and school purposes levied on the property for the previous year due on the first day of each of the months January through August inclusive; and

- The total amount of taxes finally levied for the current year less the total of all instalments paid from January to August, due in two equal instalments on the first day of September and October.
- 5) That the Treasurer shall send a tax bill to every assessed property owner, at least 21 days before any taxes shown on the tax bill are due. The tax bill will be sent to the assessed property owner's residence or place of business or to the premises in respect of which the taxes are payable, unless the taxpayer directs the treasurer in writing to send the bill to another address, in which case it shall be sent to that address.
 - 6) That a percentage charge of 1.25 per cent of the amount of taxes due and unpaid shall be imposed as a penalty for the non-payment of taxes on the first day of the month following the date the taxes were due.
 - 7) That interest charges in the amount of 1.25 per cent each month of the amount of taxes due and unpaid, shall be imposed on the amount of taxes due and unpaid on the first day of each and every month the default continues.
 - 8) That all taxes shall be paid into the Office of the Treasurer, Thornbury, Ontario, or through financial institutions to the credit of the Treasurer of the Town of The Blue Mountains.
 - 9) That if an article of this By-law is for any reason held to be invalid, the remaining articles shall remain in effect until repealed.

And further, that this By-law shall come into force and effect for the year commencing January 1, 2020.

Enacted and passed on this 27th day of January, 2020.

Rob Potter, Councillor and Acting Head of Council

Corrina Giles, Clerk

The Corporation of The Town of The Blue Mountains

By-law Number 2020 –

Being a By-law to amend By-law 2020-3, being a By-law to levy amounts on the assessment of property rateable for local municipality purposes, and to further provide for percentage charge and interest charge in default of payment thereof

Whereas Section 317 of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended (the Act) authorizes a local municipality, before the adoption of the estimates for the year under Section 290, to pass a By-law levying amounts on the assessment of property in the local municipality rateable for local municipality purposes;

And Whereas, Council of the Town of The Blue Mountains has enacted By-law 2020-3 to levy amounts on the assessment of property rateable for local municipality purposes, and to provide for percentage charge and interest charge in default of payment thereof;

And Whereas at the March 30, 2020 Special Meeting of Council, Council considered Staff Report FAF.20.063 and directed that By-law 2020-3 be amended;

Now Therefore the Council of The Corporation of the Town of The Blue Mountains hereby enacts as follows:

1. THAT paragraph 2) of By-law 2020-3 be repealed and replaced with the following:
 - 2) That the taxes imposed by this By-law shall be paid in two instalments upon the following dates:
 - One-half thereof on the 27th day of March, 2020; and
 - One-half thereof on the 30th day of June, 2020.
2. THAT paragraph 6) of By-law 2020-3 be repealed and replaced with the following:
 - 6) That no interest or penalty be imposed for the non-payment of taxes until June 30, 2020, it being noted that interest will be waived for the months of April, May and June, 2020. Subsequent to June 30, 2020, unless there is a further amendment to this bylaw, on the first day of each month , interest charges in the amount of 1.25 per cent of the amount of taxes due and unpaid, shall be imposed on the amount of taxes due and unpaid as long as the default continues.
2. THAT paragraph 7) of By-law 2020-3 be repealed and replaced with the following:
 - 7) That no interest be charged until June 30, 2020, it being noted that interest will be waived for the months of April, May and June, 2020. Subsequent to June 30, 2020, unless there is a further amendment to this by-law, interest charges in the amount of 1.25 per cent each month of the amount of taxes due and unpaid, shall be imposed on the amount of taxes due and unpaid on the first day of each and every month the default continues.

And further, that this By-law shall come into force and effect upon the enactment thereof.

Enacted and passed the 30th day of March, 2020.

Alar Soever, Mayor

Corrina Giles, Town Clerk