

Subject: By-Law to Establish Rates and Levy Taxes for 2024 (F22)

Staff Report No. FI-006-24

Commission: Finance Services Commission

Date: June 5, 2024

Recommendation:

- 1) That Council enact By-law 2024-072-TX being a By-law to establish rates and levy taxes for the Town of Whitchurch-Stouffville for the year 2024.

1. Purpose:

The purpose of this report is to provide Council with the 2024 final tax rate information and to obtain approval of these rates and dates to enable the Manager, Revenue & Taxation to issue the 2024 final tax bills to collect revenue generated by these rates.

2. Executive Summary:

It is recommended that Council approve the Tax Rating By-Law 2024-072-TX for 2024 and authorize the Manager, Revenue & Taxation to proceed with the production and collection of the 2024 final tax bills.

This report also provides preliminary information regarding a new optional subclass announced in the 2024 Ontario Budget. The new subclass would have the same tax ratio as the existing New Multi-Residential property class; however, future purpose-built building could be offered a property tax discount up to 35%. The Region of York adopted this new optional subclass on May 23, 2024 with the intention to bring forward further recommendations later this year.

3. Background:

At the Council meeting of November 29, 2023, the final operating budget was adopted. Council now needs to approve a rating By-Law to raise the required monies through taxes as indicated in the budget.

Once approved, the By-Law will provide for the collection of the taxes levied by the Town, the Region, Education, as well as the Downtown Stouffville Area as also presented in a separate report.

The *Municipal Act, 2001* requires Council to pass a By-Law each year specifying the levying of tax rates. The Town’s operating and capital budgets for 2024 were adopted by Council on November 29, 2023. For those with special levies, the budget of the Downtown Stouffville Area has also been submitted and approved.

The Region of York approved the transition ratios By-Law 2024-19, as well as By-Law 2024-20 to establish the tax rates for 2024 on May 23, 2024. The Province of Ontario has prescribed the 2024 Education Tax Rates under the Ontario Regulation 400/98 of the *Education Act*, as amended.

The Region of York passed a By-law on May 23, 2024 to adopt the New Multi-Residential (Municipal Reduction) property tax subclass with an initial discount of 0%. The Region is proposing to further review this subclass, along with a review of the vacant land and excess land discount. These reviews will take place in 2024 with updated recommendations to Regional Council expected as part of the 2025 tax policy report.

4. Analysis and Options:

The Town of Whitchurch-Stouffville is responsible for approving the budget for its own general purposes and the budget of the Downtown Stouffville Area. As well, the calculation of the final tax rates has been presented to Council in separate reports. The Town is also required to levy taxes for Regional and Educational purposes according to the tax rates set by the Region and the Province.

In summary, the breakdown of total taxes to be raised by the Town of Whitchurch-Stouffville for 2024 are as follows:

Town of Whitchurch-Stouffville	\$44,377,780
Region of York Tax Revenue	\$55,947,290
Ministry of Education	<u>\$31,038,340</u>
Total 2024 Tax Requirement	\$131,363,410

Schedule “A” attached to the By-Law sets out the municipal tax rates per class and the amounts to be raised for Town, Region and Education purposes. The estimated revenue for the Railway Right of Way and Utility Transmission is \$47,000.00.

As per the *Municipal Act, 2001* section 317(3), the first two (2) tax installments in 2024 were intended to raise approximately 50% of the 2023 tax amount. The final tax levy set in this By-Law, which is approximately 3.494% higher than 2024, will reflect the remaining balance as approved for 2024 taxation as indicated by the 2024 Operating Budget. The final tax billing is scheduled to be issued in June to all Residential, Farm, Commercial, Industrial and Multi-Residential properties. Installment dates proposed are as follows:

1 st Installment:	Monday, July 15, 2024
2 nd Installment:	Friday, September 13, 2024

The standardized tax bill implemented in 2001 by the Provincial Government will be issued again, showing the year-to-year tax changes for each levying body.

The By-Law also includes a provision which grants the Treasurer or Manager, Revenue & Taxation Services the authorization to amend the installment dates for the 2024 final tax bills, should any provincial legislation be released which could effectively delay billing. All due dates are set to accommodate the legislated notice requirement of twenty-one (21) days before an installment due date, in accordance with the *Municipal Act, 2001*.

5. Financial Implications:

The By-Law and schedule of tax rates have been prepared to reflect the Town's operating and capital budgets for 2024, which were adopted at the Council meeting held on November 29, 2023. This amount is needed to enable the Town to carry out the service delivery by the individual departments, as approved in the 2024 Operating Budget.

The new multi-residential property (municipal reduction) subclass that was adopted by the Region will not affect 2024 tax rates, local municipal levies or supplementary tax levies. Since all existing properties would be excluded from the new subclass, calculations would not be affected by its adoption. Since the proposed subclass is recommended to receive an initial discount of 0% on the tax rate, any new properties would be charged the same property tax rate as all other residential and multi-residential properties in 2024.

6. Alignment with Strategic Plan:

1. Good Governance
Provide Good Governance

7. Attachments:

1. Schedule A – Tax Rate Calculation

8. Related Reports:

None

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For further information on this report, please contact the Department Head: Jeremy Harness, Commissioner of Finance & Treasurer at 905-640-1910 or 1-855-642-8697 ext. 2243 or via email at jeremy.harness@townofws.ca