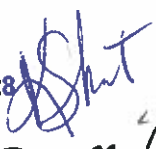





OTO: GENERAL COMMITTEE

SUBJECT: 2013 INTERIM TAXES

PREPARED BY AND KEY CONTACT: KATHLEEN SHORT, MANAGER OF REVENUE, EXT 4428 

SUBMITTED BY: C. MILLAR, DIRECTOR OF FINANCE (ACTING) 

GENERAL MANAGER APPROVAL: E. ARCHER, CMA, GENERAL MANAGER OF CORPORATE SERVICES 

CHIEF ADMINISTRATIVE OFFICER APPROVAL: CARLA LADD, CHIEF ADMINISTRATIVE OFFICER 

RECOMMENDED MOTION

1. That the amount to be billed for each property for the 2013 interim billing for all property classes be established at no more than 50% of the annualized tax amount for 2012.
2. With the exception of Pine Drive Phase 1, 2 and 3 local improvements, that the amount to be billed for each property for the 2013 interim billing for all property classes include any special charges (i.e. local improvements for water and sewer) which were billed in 2012.
3. That, pending approval of the 2013 Business Plan, typical expenditure requirements be authorized in accordance with corporate policies and procedures for payroll, supplies, services, and contracts.
4. That the appropriate by-law be prepared.

PURPOSE & BACKGROUND

5. Section 317 of the Municipal Act, 2001 allows municipalities to issue interim tax bills in order to provide the cashflow to pay ongoing expenses until the annual business plan and budget is approved. Section 317(3) of the Municipal Act, 2001 sets out the rules relating to the amount that can be levied:
 - a) The amount levied on a property shall not exceed the prescribed percentage or 50 percent if no percentage is prescribed, of the total amount of taxes for municipal and school purposes levied on the property for the previous year.
 - b) The percentage under a) may be different for different property classes but shall be the same for all properties in a property class.
 - c) For the purposes of calculating the total amount of taxes for the previous year under a), 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 collector's 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.
6. The water and sewer improvements for the Pine Drive Phase 1, 2 and 3 project will not be added to the tax roll until the final billing in June 2013 as was arranged with the property owners earlier this year.

ANALYSIS

7. In accordance with our standard practice, the 2013 interim taxes will be due in two instalments. The first instalment will be due on February 27, 2013 and the second instalment will be due April 29, 2013.
8. Penalty and interest is applied to all unpaid accounts the 1st of each month at the rate of 1.25% (15% annually) to encourage prompt payment and to ensure all other taxpayers are not being required to finance those that do not pay on a timely basis. Payments received are applied first to all outstanding penalties and interest and then to the oldest outstanding principal amount.
9. The City offers a variety of payment options for the convenience of our taxpayers. These options include:
 - ▶ Three tax pre-authorized payment plans (monthly; due date; arrears) - currently 11,280 properties (23%)
 - ▶ Payment through mortgage company – currently approximately 16,000 properties (32%)
 - ▶ Payment at any chartered bank in Canada
 - ▶ Payment on-line or by telephone through banking institutions.
 - ▶ Post-dated cheques (with payment stub)
 - ▶ Drop off box (with payment stub) located at the front entrance of City Hall
 - ▶ Payment in person at the Finance Department, first floor in City Hall
10. Interim tax bills are printed and mailed to all taxpayers except those who are currently on a pre-authorized payment plan or whose taxes are paid through their mortgage company. In 2012 approximately 25,000 interim tax bills were mailed and an application form for the City's pre-authorized payment programs was included with each bill. This generated an increase in pre-authorized payment plan participation of 217 properties. In order to continue to encourage participation in our pre-authorized payment plans, application forms will be included with each of the 2013 interim tax bills.
11. As in the past, notices will be placed in the City Page prior to each due date as a reminder to taxpayers. Information is also provided in the Community Information and Waste Management Calendar and on the City's website.

ENVIRONMENTAL MATTERS

12. There are no environmental matters related to the recommendation.

ALTERNATIVES

13. There are two alternatives available for consideration by General Committee:

Alternative #1

General Committee could use a percentage of less than 50 per cent of the previous year's annualized tax bill and special charges (if applicable) for all property classes.

This alternative is not recommended as it would slow the timing of cashflow and mean that the taxpayer could have a larger share to pay on their final due dates.

Alternative #2

General Committee could alter the proposed recommendation by using difference percentages for each property class to a maximum of 50 percent.

This alternative is not recommended as it would slow the timing of cashflow and mean that the taxpayer could have a larger share to pay on their final due dates.

FINANCIAL

14. Interim tax billing is necessary in order to provide the cashflow required to pay the City's ongoing operational costs and the school board payments that are due March 31.

LINKAGE TO COUNCIL STRATEGIC PRIORITIES

15. This is an operational matter that has no direct relationship to the City of Barrie's strategic priorities.