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## 2023 Interim Property Tax Billing Information Report to Council

Report Number: INFO-2023-07

Department(s): Corporate Services – Financial Services - Revenue

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Distribution Date: March 23, 2023

In accordance with the Procedure By-law, any member of Council may make a request to the Town Clerk that this Report be placed on an upcoming Committee of the Whole agenda for discussion.

### Purpose

The purpose of this report is to advise Council that staff, under the authority of the Corporate Delegation By-law #2016-17, billed the 2023 interim property taxes. The 2023 interim tax bills were mailed out on Thursday, January 26, 2023.

### Background

The Municipal Act, under section 317 provides municipalities with the authority to levy interim property taxes in an amount not to exceed 50% of the prior year, other than in cases where an assessment was only on the roll for part of the prior year. In those cases, the prior year levy is annualized for the purpose of the current year interim levy. Consequently, budgetary increases do not get applied to the interim tax bill.

The levy will be payable in three relatively equal installments that will be due on February 24th, March 24th and April 25th. Final property tax bills are usually issued in June for the residential taxpayers with another three relatively equal installments. Commercial and industrial final bills are generally issued in July or August with two installments due in September and October.

Preparation of the final bills requires the following items;

- Finalization of the Town's 2023 budget
- Receipt of property tax rates from the Region of York
- Region wide property tax ratios from the Region of York
- Final capping and clawback rates for any qualifying properties
- Education and other regulated tax rates from the Province of Ontario (received)

## Discussion

### Re-Assessment

The Municipal Property Assessment Corporation (MPAC) completes a province wide reassessment every 4 years. The last re-assessment was completed in 2016 and updated assessment notices were issued for every property showing phased-in assessment values to be used for taxation in 2017, 2018, 2019 and 2020. Annually, MPAC issues amended notices to property owners if changes, such as value, ownership, classification or school support have occurred during the previous year. Due to the Covid-19 pandemic, the planned re-assessment for 2021 has been postponed until further notice. To date, the Province has not yet indicated when the next re-assessment will be. Therefore, assessment values continue to reflect 2016 base year, as a result, 2023 assessment values will be the same as 2022, unless there were changes to the property.

The average current value assessment (CVA) change from 2022 to 2023 is illustrated in the table below:

Description	Count	2022 Average CVA	2023 Average CVA	% Change
Single Family Home	18,966	\$706,000	\$708,000	0.3%
Residential Condo	2,103	\$377,000	\$378,000	0.3%
Multi-Residential	42	\$9,810,000	\$9,599,000	-2.2%
Small Office Building	27	\$1,313,000	\$1,203,704	-8.3%
Standard Industrial Property	91	\$4,315,868	\$4,407,231	2.1%

The tax impact of these changes will be analyzed and reported to Council in detail with the Final Tax Rate Report later in the year.

### Late Payment Charges (Penalty and Interest)

Under the provisions of the Municipal Act, section 345, a municipality may impose late payment charges for the non-payment of taxes or an installment by the due date. Newmarket will charge late payment fees, in an amount not to exceed 1.25% per month of the taxes due. This amount is the maximum allowed under the Act, and was approved by Council under By-law 2013-02, which remains in effect from year to year unless repealed by Council.

## Conclusion

Staff billed the 2023 Interim Billing in accordance to the Municipal Act, 2001. The bills were mailed on January 26, 2023.

## **Business Plan and Strategic Plan Linkages**

This report links to Newmarket's key strategic directions in being Well Managed through Fiscal Responsibility.

## **Consultation**

Not Applicable

## **Human Resource Considerations**

Not Applicable

## **Budget Impact**

The interim tax levy will provide the Town with approximately 50% of the funds required to meet the Town's 2023 financial obligations.

## **Attachments**

None.

## **Contact**

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## **Approval**

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