



Town of Newmarket
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2024 Interim Property Tax Information Report

Report Number: INFO-2024-02

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

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Date: February 29, 2024

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 2024 interim property taxes. The 2024 interim tax bills were mailed out on Tuesday, January 23, 2024.

Background

The *Municipal Act, 2001* 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. New properties added to the roll for the 2024 taxation year will have their levy calculated by applying 50% of the 2023 tax rate to the 2024 assessment.

The levy will be payable in three relatively equal instalments that will be due on February 26th, March 25th and April 26th. Final property tax bills are usually issued in June for the residential taxpayers with another three relatively equal instalments. Non-Residential final bills are generally issued in July or August with two instalments due in September and October.

Preparation of the final bills requires the following items.

- Finalization of the Town’s 2024 budget (done)
- 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) targets a province wide reassessment every four 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, 2024 assessment values will be the same as 2023, unless there were changes to the property.

The average current value assessment (CVA) change from 2023 to 2024 is illustrated in the table below:

Description	Count	2023 Average CVA	2024 Average CVA	% Change
Single Family Home	18,990	\$708,000	\$711,000	0.4%
Residential Condo	2,103	\$378,000	\$378,356	0.1%
Multi-Residential	43	\$9,599,000	\$10,972,279	14.3%
Small Office Building	27	\$1,203,704	\$1,203,037	-0.1%
Standard Industrial Property	90	\$4,407,231	\$4,453,389	1.0%

The new assessment roll indicates that growth for 2024 will exceed our budgetary expectations. The tax impact of this will be analyzed and reported to Council in detail with the Final Tax Rate Report later in the year.

Final Billing Instalment Due Dates

New this year, non-residential bills will be issued in June at the same time as the residential bills and consist of the same three instalment due dates in July, August and September. Modifying the due dates will assist the non-residential owners by having their final payments or pre-authorized withdrawals distributed over three instalments. Common due dates for all property owners will improve consistency, equity, and administrative efficiency. Corporate Communications will issue updates to notify taxpayers of the changes to the final billing instalments for non-residential owners.

Late Payment Charges (Penalty and Interest)

Under the provisions of the *Municipal Act, 2001* section 345, a municipality may impose late payment charges for the non-payment of taxes or an instalment 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. A Notice of Overdue Taxes will be issued during the first week of January, April, August and November to all taxpayers with an overdue amount of \$9.99 or greater.

Property Tax Assistance Programs

The Town offers a Property Tax Assistance for the Elderly. The program provides a grant of \$359 in 2024 for qualified applicants who meet the eligibility requirements.

The Town also offers a Tax Deferral Program for Low-income Seniors and Low-income Disabled Persons. Qualified applicants are eligible to defer their annual property tax increase from the previous year. All deferred taxes become payable when the property is sold, or the applicant or spouse is no longer on the title of the property.

Full details of these programs and application forms are available on our website www.newmarket.ca or by contacting customer service at 905-895-5193 or info@newmarket.ca.

Conclusion

Staff billed the 2024 Interim Billing in accordance with the *Municipal Act, 2001*. The bills were mailed on January 23, 2024.

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 2024 financial obligations.

Attachments

None.

Approval

Mike Mayes, CPA, CGA, DPA
Director, Financial Services/Treasurer

Esther Armchuk, LL.B
Commissioner, Corporate Services

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