



CORPORATE SERVICES *Staff Report*

REPORT NO: COR-2024-23

TO: Council

SUBMITTED BY: Greg Clark, Director of Corporate Services/CFO

PREPARED BY: Dan Elliott, Interim Manager of Finance/Deputy Treasurer

REVIEWED BY: Sharon Chambers, Chief Administrative Officer

DATE: May 6, 2024

SUBJECT: 2024 Tax Rates and Due Dates

RECOMMENDATION:

THAT Report COR-2024-23 be received, and

That draft bylaw 2024-24 included in tonight's agenda be adopted to set the tax rates and due dates for the final billing of property taxes for 2024; and

That staff be authorized to commence a communications effort to notify residents of planned changes to tax due dates for 2025, and to encourage increased participation in the Township's preauthorized payment program for taxes.

SUMMARY:

Following adoption of the annual budget, Council must set annual tax rates by bylaw to facilitate and authorize the issuance of final tax billings for the year, including the setting of tax due dates.

BACKGROUND:

The Township's 2024 Operating Budget was approved on March 4, 2024, and authorized the levy of property taxes in the amount of \$11,914,709, plus Payment in Lieu amounts, and

supplementary taxes, for a total tax revenue of \$12,243,209. Annually Council must approve detailed tax rates to be applied against every property assessment in the Township.

The draft tax rate setting bylaw is included in the bylaws section of tonight's agenda and only includes the Township tax rates, as the Regional and education tax rates are set by those organizations. Attachment A shows the detailed tax rates and total combined tax rates for each property assessment class and will be published on the Township website.

REPORT:

Bylaw details

The tax levy bylaw provides the authority to issue tax billings to every assessed property in the Township. It grants the Treasurer to prepare and issue the tax bills, and to charge late fee penalties and arrears interest should the taxes not be paid by the due dates. The Bylaw also authorizes the Treasurer to amend tax due dates for all properties, in the event of processing delays which necessitate minor delays in the due dates to maintain compliance with the regulatory 21-day notice period required between the mailing of the tax bills and the first payment due date.

Due Dates

In 2023, the final billing taxes were as follows:

Residential:

Friday June 30, 2023
Friday September 29, 2023

Non-Residential:

Monday July 31, 2023
Friday September 29, 2023

The due dates recommended for 2024 are as follows:

Residential:

Friday June 28, 2024
Friday September 27, 2024

Non-Residential:

Friday July 26, 2024
Friday September 27, 2024

The Treasurers of the area municipalities have reviewed each municipalities due date structures and have considered more closely harmonizing the due dates with each other. The decision was made to do so in 2025, but no formal agreement or decision has been made.

The table below reflects the tax due dates reported by each municipality for 2023.

2023 Tax Due Dates Survey	Interim		Final			
			Residential		Non-Residential	
	1st	2nd	1st	2nd	1st	2nd
City of Cambridge	1-Mar	1-May	1-Jul	1-Sep	1-Sep	
City of Kitchener	1-Mar	1-May	1-Jul	1-Sep	1-Sep	1-Oct
City of Waterloo	1-Mar	1-May	1-Jul	1-Sep	1-Sep	1-Oct
Township of North Dumfries	1-Mar	1-May	1-Sep	1-Nov	1-Sep	1-Nov
Township of Wellesley	1-Mar	1-May	1-Sep	1-Nov	1-Sep	1-Nov
Township of Wilmot	28-Feb	28-Apr	30-Jun	29-Sep	31-Jul	29-Sep
Township of Woolwich	March 1	01-May	01-Aug	01-Oct	01-Aug	01-Oct

With the implementation of non-residential tax adjustments for CVA phase-in, many municipalities delayed the issuance of tax billings to the non-residential properties to allow additional time to process the adjustments and prepare the tax billing. The residential billings were simpler to process, so to preserve cash flows, they were issued earlier.

There is no longer phase-in adjustments, and the need for the delay on non-residential billings is non-existent today. In future, once recurring reassessments of all properties resumes, further phase-in adjustments may be required, but not today. Staff recommend returning the non-residential due dates to the same timing as for residential properties. Additionally, staff recommend harmonizing the final due date to be one month earlier, so both the interim and final installments for all accounts are two months apart, rather than the current two months for interim and three months for final billing.

For 2025, staff are recommending that the tax due dates for all tax accounts be as follows:

Friday February 28, 2025
Friday April 25, 2025

Friday June 27, 2025
Friday August 29, 2025

To effect the change, staff recommend including advance notice of the planned changes for 2025 in a notice included with the final 2024 tax billing for all properties, and again with the interim 2025 tax billing. Additionally, some efforts through our Communications group will be undertaken in social media and traditional media releases. As we communicate changes to the tax due dates, we will also remind and encourage all property owners to enroll in our preauthorized payment plan which provides 12 monthly automatic payments on the first day of each month, or automatic payments on the four scheduled installment dates.

ALIGNMENT WITH THE TOWNSHIP OF WILMOT STRATEGIC PLAN:

Adopting tax rates and due dates reflects responsible municipal management, and compliance with legislative requirements.

FINANCIAL CONSIDERATIONS:

The tax rates proposed have been calculated in accordance with the necessary legislation, the tax ratios adopted by the Region of Waterloo, and will raise the approved budgeted tax levy for 2024. There are no financial considerations of setting tax rates.

Adjusting the tax due dates in 2025 as proposed in this report will advance tax cash flows for the municipality, while improving the harmonization of tax due dates within the Region of Waterloo area municipalities. Communications efforts will be conducted within the scope of approved budgets.

ATTACHMENTS:

Attachment A: Combined Tax Rate Schedule

By-Law 2024-24 is included in the Bylaws section of the May 6, 2024 Council Agenda.