



STAFF REPORT TO COUNCIL

Report No: TR2021-11

March 26, 2021

From: Kimberley Goyette – Director of Finance/Treasurer

RE: 2021 Tax Rate Bylaw

Recommended Motion:

THAT Council of the Township of North Glengarry adopts Bylaw 13-2021 being a bylaw to adopt the tax rates for the year 2021.

Background / Analysis:

The 2021 Operating and Capital Budgets were approved by Council on February 8, 2021 for which require \$6,236,439 of tax dollars to be raised. Annually, a tax rate by-law is required to authorize tax rates that are enough to generate property taxes required to support the municipal budget, as well education and county tax rates.

There are many considerations and components to the property tax system: assessment value; tax ratios; tax rates; and the annual operating and capital budget amounts. The Township tax rates have a municipal, county and education rate component. Of the total tax rate, 44% of the dollars are sent to the County, 16% are sent to the Province for the Education Tax and 40% of the dollars remain in the Township.

The assessment for each property in the Township is set by the Municipal Property Assessment Corporation (MPAC). Usually, properties are assessed by MPAC every four years with any increases gradually introduced over a four-year period. However, for the taxation years of 2020 and 2021 MPAC has decided to freeze the 2019 assessment values on properties. This has resulted in additional tax room dollars only being generated by true growth and not due to any changes in assessment values.

Section 308 of the Municipal Act requires that Municipal Council establish tax ratios by passing a by-law each year. Tax ratios distribute the tax burden amongst property classes and therefore, must be set prior to establishing the annual tax rates. The Township is a lower tier municipality and as such, the County sets the tax ratios for the Township to utilize. These tax ratios have been set for the 2021 taxation year, as well as the County rates. The Provincial Government sets the Education tax rates annually which are sent to the Township to include in the total tax rate to levy to residents. The Township tax rate is calculated by dividing the net requirement, or the \$6,236,439 by the total weighted assessment.

This year Council suggested a 0% increase in the municipal portion of the tax rate. The County had an overall decrease of .7% and the overall education rates decreased by 16.8%.

This bylaw is being presented to approve the overall tax rates that are required for the final tax billing.

Alternatives:

1. Adopt bylaw 13-2021 to set tax rates.
2. Do not adopt bylaw 13-2021 to set tax rates.

Financial Implications:

Overall, there was an increase in the municipal tax portion of the tax levy of \$99,920 from 2020 to 2021 resulting strictly from growth items.

Attachments & Relevant Legislation:

Others Consulted:

Reviewed and Approved by:
Sarah Huskinson, CAO/Clerk