



**City of Kingston
Report to Council
Report Number 24-033**

To: Mayor and Members of Council
From: Desirée Kennedy, Chief Financial Officer & City Treasurer
Resource Staff: Lana Foulds, Director, Financial Services
Jeff Walker, Manager, Taxation and Revenue
Date of Meeting: January 9, 2024
Subject: 2024 Interim Tax Levy

Council Strategic Plan Alignment:

Theme: Financial measures/budget

Goal: See above

Executive Summary:

The [Municipal Act, 2001](#), as amended, allows municipal councils to pass by-laws for the purpose of levying an interim tax levy, prior to the adoption of the estimates for the year. The interim tax amount to be levied shall not exceed 50% of the total amount of taxes levied on the property in the previous year. This levy will provide funds to assist in financing daily operations and reduce reliance on short-term borrowings prior to setting tax rates and issuing the final tax bill.

Staff requests Council to waive the requirements of [City of Kingston By-Law Number 2021-41](#) so the By-Law to Provide for a 2024 Interim Tax Levy; Payment of Taxes by Instalment; Penalty and Interest at One and One Quarter Percent Monthly on Tax Arrears, being presented as Exhibit A to this report, may be given three readings at the same Council meeting in order to allow interim tax bills to be mailed by February 8, 2024.

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Recommendation:

That a by-law, attached to Report Number 24-033 as Exhibit A, be presented to Council for all three readings to provide for the levying and collecting of 2024 interim property taxes, including the following provisions:

- a. the 2024 interim tax bill be no greater than 50% of the 2023 taxes levied;
- b. the rates be as specified in Schedule A to the by-law attached hereto;
- c. the due date for interim taxes be February 29, 2024;
- d. various payment options be provided; and
- e. late payment charges be added to taxes that are in default.

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Authorizing Signatures:

ORIGINAL SIGNED BY CHIEF

FINANCIAL OFFICER & CITY TREASURER

**Desiree Kennedy, Chief
Financial Officer & City
Treasurer**

ORIGINAL SIGNED BY CHIEF

ADMINISTRATIVE OFFICER

**Lanie Hurdle, Chief
Administrative Officer**

Consultation with the following Members of the Corporate Management Team:

Paige Agnew, Commissioner, Development & Growth Services	Not required
Jennifer Campbell, Commissioner, Community Services	Not required
Neil Carbone, Commissioner, Corporate Services	Not required
David Fell, President & CEO, Utilities Kingston	Not required
Peter Huigenbos, Commissioner, Major Projects & Strategic Initiatives	Not required
Brad Joyce, Commissioner, Infrastructure, Transportation & Emergency Services	Not required

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Options/Discussion:**Background**

The interim tax levy by-law is required in order to provide funds to assist in financing daily operating requirements until the final tax rates are set and the final tax bills are issued later in 2024.

Analysis

The [Municipal Act, 2001](#), as amended, (the Act) provides that the amount to be levied shall not exceed 50% of the total amount of taxes levied on the property in the previous year. For properties where assessment was added to the collector's roll during 2023 as supplementary tax levies, the 2024 interim taxes will be based on 50% of an annualized 2023 amount. Where new assessment has been added to the 2024 roll, the interim tax levy will apply to the new assessment. For these properties, an interim billing adjustment will be applied to ensure the levies do not exceed the maximum amounts allowable under the Act.

To provide for the February 29, 2024 due date, tax bills must be mailed no later than February 8, 2024 to allow for the required 21 days' notice.

The draft interim tax levy by-law is being presented to Council to provide for the interim property tax billing.

Payment methods, as provided for in the draft by-law, include:

- in person at City Hall (216 Ontario Street)
- at any financial institution in the City of Kingston area having payment arrangements with the City of Kingston
- through banks offering telephone and internet payment plans registered with the City of Kingston
- by using one of the 24 hour drop boxes located at City Hall and 1211 John Counter Boulevard
- by mail
- at Canada Post outlets where MoneyGram Bill payment services are offered
- by pre-authorized payment under the City's pre-authorized property tax payment program and
- by **Visa or MasterCard** online or over the telephone through Paymentus Corporation, a third-party bill payment service (Paymentus charges the payor a separate convenience fee per transaction).

The draft by-law also provides for the imposition of late payment charges, at a rate of 1¼ per cent per month, for the non-payment of taxes. Penalty charges are imposed for the non-

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payment of taxes on the first day of default and interest will be charged on unpaid taxes on the first day of each month thereafter.

Existing Policy/By-Law

[Municipal Act, 2001](#), as amended, which allows Council to pass by-laws for the purpose of levying an interim tax levy before the adoption of the estimates for the year.

Financial Considerations

The interim tax levy, for municipal and school purposes, will provide revenues of approximately \$163.5M. This revenue will assist in financing daily operations and payment of education levies, reduce reliance on short-term borrowings, and maximize investment income. In order to provide the necessary cash flow, and as provided for in the *Municipal Act, 2001*, as amended, the interim tax bill represents 50% of the previous year's total tax levy.

Contacts:

Jeff Walker, Manager, Taxation and Revenue, 613-546-4291 extension 2484

Other City of Kingston Staff Consulted:

None

Exhibits Attached:

Exhibit A - Draft by-law, being a By-Law to Provide for a 2024 Interim Tax Levy; Payment of Taxes by Instalment; Penalty and Interest at One and One Quarter Percent Monthly on Tax Arrears, including Schedule A: City of Kingston - 2024 Interim Tax Rates

By-Law Number. 2024-XX

**A By-Law to Provide for a 2024 Interim Tax Levy; Payment of Taxes
by Instalment; Penalty and Interest at One and One Quarter Percent
Monthly on Tax Arrears**

Passed: January 9, 2024

Whereas sub-sections 317(1) and (2) of the *Municipal Act, 2001*, c.25, as amended, provide that:

1. The council of a local municipality, before the adoption of the estimates for the year under section 290 of the *Municipal Act, 2001*, may pass a by-law levying amounts on the assessment of the property in the local municipality rateable for local municipality purposes.
2. A by-law for levying amounts under subsection (1) shall be passed in the year that the amounts are to be levied or may be passed in December of the previous year if it provides that it does not come into force until a specified day in the following year; and

Whereas sub-section 317(3) of the *Municipal Act, 2001*, contains the following additional rules:

1. The amounts 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.
2. The percentage under paragraph 1 may be different for different property classes but shall be the same for all properties in a property class.
3. For the purposes of calculating the total amount of taxes for the previous year under paragraph 1, 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; and

Whereas sub-section 317(5) of the *Municipal Act, 2001*, contains the following additional rule:

1. Amounts may be levied on assessment added to the tax roll for the current year that were not on the assessment roll upon which the amounts are levied; and

Whereas clause 342(1)(a) of the *Municipal Act, 2001*, c.25, as amended, provides that the council of a local municipality may pass by-laws providing for the payment of taxes in one amount or by instalments and the date or dates in the year for which the taxes are imposed on which the taxes or installments are due; and

Whereas subsection 343(4) of the *Municipal Act, 2001*, c.25, as amended, provides that a local municipality may pass a by-law providing for the billing of a property class separately from the other property classes; and

Whereas sub-section 345(1) of the *Municipal Act, 2001*, c.25, as amended, provides that the council of a local municipality may pass by-laws to impose late payment charges for the non-payment of taxes or any instalment by the due date; and

Whereas sub-sections 345(2) and (3) of the *Municipal Act, 2001*, contain the following additional rules:

1. A percentage charge, not to exceed 1¼ per cent of the amount of taxes due and unpaid, may be imposed as a penalty for the non-payment of taxes on the first day of default or such later date as the by-law specifies.
2. Interest charges, not to exceed 1¼ per cent each month of the amount of taxes due and unpaid, may be imposed for the non-payment of taxes in the manner specified in the by-law but interest may not start to accrue before the first day of default; and

Whereas sub-section 346(2) of the *Municipal Act, 2001*, c.25, as amended, provides that the council of a local municipality may pass by-laws to provide for the payment of taxes by any person into a financial institution to the credit of the treasurer of the municipality and, in that case, the person making the payment shall be entitled to be issued a receipt by the institution for the amount paid; and

Whereas Council deems it expedient to pass a by-law for such purposes;

Therefore be it resolved that the Council of The Corporation of the City of Kingston hereby enacts as follows:

1. An interim tax rate is hereby imposed and levied on the whole of the assessment for real property in each of the “Residential Assessment”, “New Multi-Residential Assessment”, “Multi-Residential Assessment”, “Commercial Assessment”, “Industrial Assessment”, “Pipe Line Assessment”, “Farm Assessment”, “Managed Forest Assessment”, “Railway Property Assessment” and “Utility Transmission and Distribution Corridor Assessment” and the applicable subclasses pursuant to Section 7 of the *Assessment Act*, R.S.O. 1990, c.A.31, as amended, as set out in Schedule A attached hereto.

2. All amounts as calculated above shall be adjusted by an amount to provide that the levy does not exceed 50 percent of the 2023 tax levy, subject to the following rules:
 - a. Taxes for municipal and school purposes levied on a property for only part of the previous year because assessment was added to the collector's roll during the year, shall have an amount 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.
 - b. The amounts levied on assessment added to the tax roll for the current year that was not on the assessment roll upon which the amounts are levied, shall be deemed to be 50% of the 2023 tax levy.
3. Taxes levied for Residential, New Multi-Residential, Pipeline, Managed Forests, and Farm property classes for the said interim tax levy will be billed together and shall become due and payable on the 29th day of February 2024.
4. Taxes levied for Commercial, Industrial, Multi-Residential, Railway and Utility Transmission & Distribution Corridor property classes for the said interim tax levy will be billed together and shall become due and payable on the 29th day of February 2024.
5. A percentage charge of 1¼ per cent of taxes due and unpaid shall be imposed as a penalty for non-payment of taxes, or any instalment thereof, and shall be added to any tax or instalment remaining unpaid on the first day of default.
6. Interest charges shall be imposed for the non-payment of taxes on the first day of each month at the rate of 1¼ per cent per month (15% per annum) of taxes due and unpaid.
7. Penalties and interest on all taxes of the interim tax levy in default shall become due and payable and shall be collected forthwith as if the same had originally been imposed and formed part of such unpaid interim tax levy.
8. The tax bill shall be sent to the taxpayer's residence or place of business or to the premises in respect of which the taxes are payable unless the taxpayer directs the City Treasurer in writing to send the bill to another address, in which case it shall be sent to that address.

9. The taxes are payable using the following methods:
 - a. City of Kingston municipal office at 216 Ontario Street, Kingston, Ontario,
 - b. At any financial institution in the City of Kingston area having payment arrangements with the City of Kingston,
 - c. Through banks offering telephone and internet payment plans registered with the City of Kingston,
 - d. By using one of the 24 hour drop boxes located at City Hall and 1211 John Counter Boulevard,
 - e. By mail,
 - f. At Canada Post outlets where MoneyGram Bill payment services are offered,
 - g. Under the City's pre-authorized property tax payment program and provided the City Treasurer has received and approved a taxpayer's request to use the alternative instalments and due dates under that program pursuant to City of Kingston By-Law Number 2003-368, and
 - h. By VISA or MasterCard online or over the telephone through Paymentus Corporation, a third-party automated bill payment service, subject to a convenience fee, pursuant to City of Kingston By-Law Number 2014-69.
10. Pursuant to section 347 of the Municipal Act, 2001 as amended, where any payment is received on account of taxes, the following applies:
 - a. The payment shall first be applied against late payment charges owing in respect of those taxes according to the length of time the charges have been owed, with the charges imposed earlier being discharged before charges imposed later.
 - b. The payment shall then be applied against the taxes owing according to the length of time they have been owed, with the taxes imposed earlier being discharged before taxes imposed later.

- c. No part payment shall be accepted on account of taxes in respect of which a tax arrears certificate is registered except under an extension agreement entered into.

11. This By-Law shall come into force and take effect on the date of its passing.

Given Third Reading and Passed: January 9, 2024

Janet Jaynes
City Clerk

Bryan Paterson
Mayor

City of Kingston - 2024 Interim Tax Rates

Residential Properties – RT, RP

Note: Garbage rates are not levied on condominium properties.

Service	Central	West	East
Municipal	0.00542204	0.00542204	0.00542204
Fire	0.00096287	0.00053701	0.00036156
Garbage	0.00007313	0.00007313	0.00007313
Education	0.00076500	0.00076500	0.00076500
Total	0.00722304	0.00679718	0.00662173

New Multi-Residential Properties – NT

Service	Central	West	East
Municipal	0.00542204	0.00542204	0.00542204
Fire	0.00096287	0.00053701	0.00036156
Education	0.00076500	0.00076500	0.00076500
Total	0.00714991	0.00672405	0.00654860

Multi-Residential Properties – MT

Service	Central	West	East
Municipal	0.00921747	0.00921747	0.00921747
Fire	0.00163689	0.00091292	0.00061466
Education	0.00076500	0.00076500	0.00076500
Total	0.01161936	0.01089539	0.01059713

Farm Properties – FT

Service	Central	West	East
Municipal	0.00108441	0.00108441	0.00108441
Fire	0.00019258	0.00010740	0.00007231
Education	0.00019125	0.00019125	0.00019125
Total	0.00146824	0.00138306	0.00134797

Managed Forest Properties – TT

Service	Central	West	East
Municipal	0.00135551	0.00135551	0.00135551
Fire	0.00024072	0.00013426	0.00009039
Education	0.00019125	0.00019125	0.00019125
Total	0.00178748	0.00168102	0.00163715

Commercial Occupied (100%) Properties – CT, DT, GT, ST, CP

Service	Central	West	East
Municipal	0.01073564	0.01073564	0.01073564
Fire	0.00190649	0.00106328	0.00071589
Education	0.00440000	0.00440000	0.00440000
Total	0.01704213	0.01619892	0.01585153

Commercial Vacant (70%) Properties – CU, CX, DU, SU, CQ

Service	Central	West	East
Municipal	0.00751495	0.00751495	0.00751495
Fire	0.00133454	0.00074430	0.00050113
Education	0.00440000	0.00440000	0.00440000
Total	0.01324949	0.01265925	0.01241608

Occupied Small Business on Farm (100%) Properties – C7

Service	Central	West	East
Municipal	0.01073564	0.01073564	0.01073564
Fire	0.00190649	0.00106328	0.00071589
Education	0.00110000	0.00110000	0.00110000
Total	0.01374213	0.01289892	0.01255153

Industrial Occupied (100%) Properties - IT, LT, IP

Service	Central	West	East
Municipal	0.01425997	0.01425997	0.01425997
Fire	0.00253236	0.00141234	0.00095091
Education	0.00440000	0.00440000	0.00440000
Total	0.02119233	0.02007231	0.01961088

Industrial Vacant (65%) Properties - IU, IX, LU

Service	Central	West	East
Municipal	0.00926898	0.00926898	0.00926898
Fire	0.00164603	0.00091802	0.00061809
Education	0.00440000	0.00440000	0.00440000
Total	0.01531501	0.01458700	0.01428707

Pipeline Properties – PT

Service	Central	West	East
Municipal	0.00635897	0.00635897	0.00635897
Fire	0.00112926	0.00062981	0.00042404
Education	0.00440000	0.00440000	0.00440000
Total	0.01188823	0.01138878	0.01118301

Railway Right-of-Way Properties - WT

Service	Central	West	East
Municipal	0.55000000	0.55000000	0.55000000
Education	0.26810000	0.26810000	0.26810000
Total	0.81810000	0.81810000	0.81810000

City of Kingston - 2024 Interim Tax Rates – Payment In Lieu Taxes (PILT)

Residential Properties – RF, RG, RH

Note: Garbage rates are not levied on condominium properties.

Service	Central	West	East
Municipal	0.00542204	0.00542204	0.00542204
Fire	0.00096287	0.00053701	0.00036156
Garbage	0.00007313	0.00007313	0.00007313
Education	0.00076500	0.00076500	0.00076500
Total	0.00722304	0.00679718	0.00662173

New Multi-Residential Properties – NF

Service	Central	West	East
Municipal	0.00542204	0.00542204	0.00542204
Fire	0.00096287	0.00053701	0.00036156
Education	0.00076500	0.00076500	0.00076500
Total	0.00714991	0.00672405	0.00654860

Multi-Residential Properties – MF

Service	Central	West	East
Municipal	0.00921747	0.00921747	0.00921747
Fire	0.00163689	0.00091292	0.00061466
Education	0.00076500	0.00076500	0.00076500
Total	0.01161936	0.01089539	0.01059713

Commercial Occupied (100%) Properties – CF, CG, CH, GF

Service	Central	West	East
Municipal	0.01073564	0.01073564	0.01073564
Fire	0.00190649	0.00106328	0.00071589
Education	0.00625000	0.00625000	0.00625000
Total	0.01889213	0.01804892	0.01770153

Commercial Vacant (70%) Properties – CW, CY

Service	Central	West	East
Municipal	0.00751495	0.00751495	0.00751495
Fire	0.00133454	0.00074430	0.00050113
Education	0.00625000	0.00625000	0.00625000
Total	0.01509949	0.01450925	0.01426608

Industrial Occupied (100%) Properties - IF, IH

Service	Central	West	East
Municipal	0.01425997	0.01425997	0.01425997
Fire	0.00253236	0.00141234	0.00095091
Education	0.00625000	0.00625000	0.00625000
Total	0.02304233	0.02192231	0.02146088

Industrial Vacant (65%) Properties - IK

Service	Central	West	East
Municipal	0.00926898	0.00926898	0.00926898
Fire	0.00164603	0.00091802	0.00061809
Education	0.00625000	0.00625000	0.00625000
Total	0.01716501	0.01643700	0.01613707

Utility Transportation & Distribution Corridor Properties – UH

Service	Central	West	East
Municipal	0.09930000	0.09930000	0.09930000
Education	0.17230000	0.17230000	0.17230000
Total	0.27160000	0.27160000	0.27160000