



The Corporation of the Town of Milton

Report To:	Council
From:	Glen Cowan, Chief Financial Officer/Treasurer
Date:	October 7, 2019
Report No:	CORS-059-19
Subject:	2020 Interim By-law for the Monthly Pre-Authorized Tax Payment Program (PTP)
Recommendation:	<p>THAT the by-law on tonight's agenda to provide for the collection of year 2020 interim taxes under the Monthly PTP program agenda be considered for approval</p> <p>AND THAT staff be delegated the authority to bring all future pre-authorized tax payment by-laws to Council for consideration without the need for a staff report.</p>

REPORT

Background

The Town of Milton offers the three following pre-authorized payment options for the convenience of taxpayers:

1. Monthly Plan - The withdrawals are spread out over a twelve-month period commencing in November (preceding the taxation year) and ending in October of the taxation year, on the last business day of each month.
2. Due Date Plan – The withdrawals occur on each of the four regularly scheduled instalments (February, April, June, and September).
3. Arrears Plan – The withdrawals occur on the first business day of each month for a prearranged payment amount, agreed to by tax staff and the ratepayer.

The *Municipal Act* provides Municipalities with the authority to levy taxes in order to meet their financial obligations.

Discussion

Current enrollment levels are 7,217 for the monthly plan and 1,588 for the due date plan. This combined enrollment total of 8,805 for 2019 accounts for approximately 23.2% of all

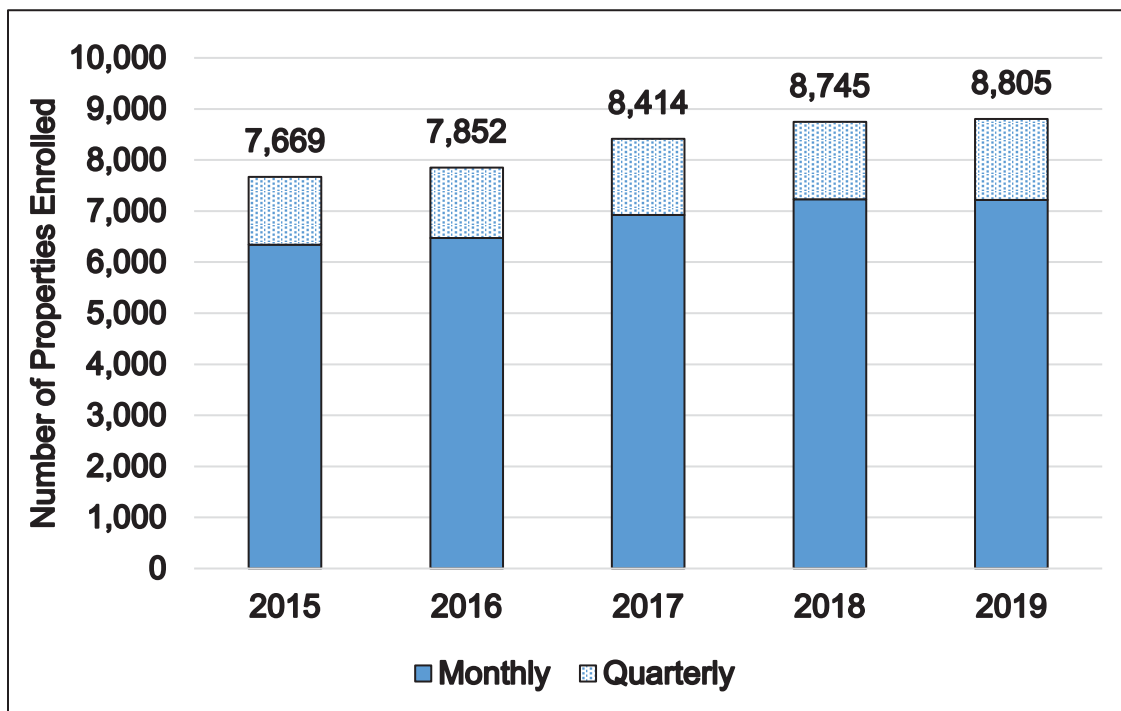


The Corporation of the Town of Milton

billable accounts in Milton. Staff anticipate that an additional 200 accounts will be signed up in time for the 2020 Interim billing period.

When framed in a historical context, the enrollment of 8,805 for 2019 represents growth within a 5-year period as shown in the following graph.

Figure 1 – PTP Program Historical Enrollment Levels

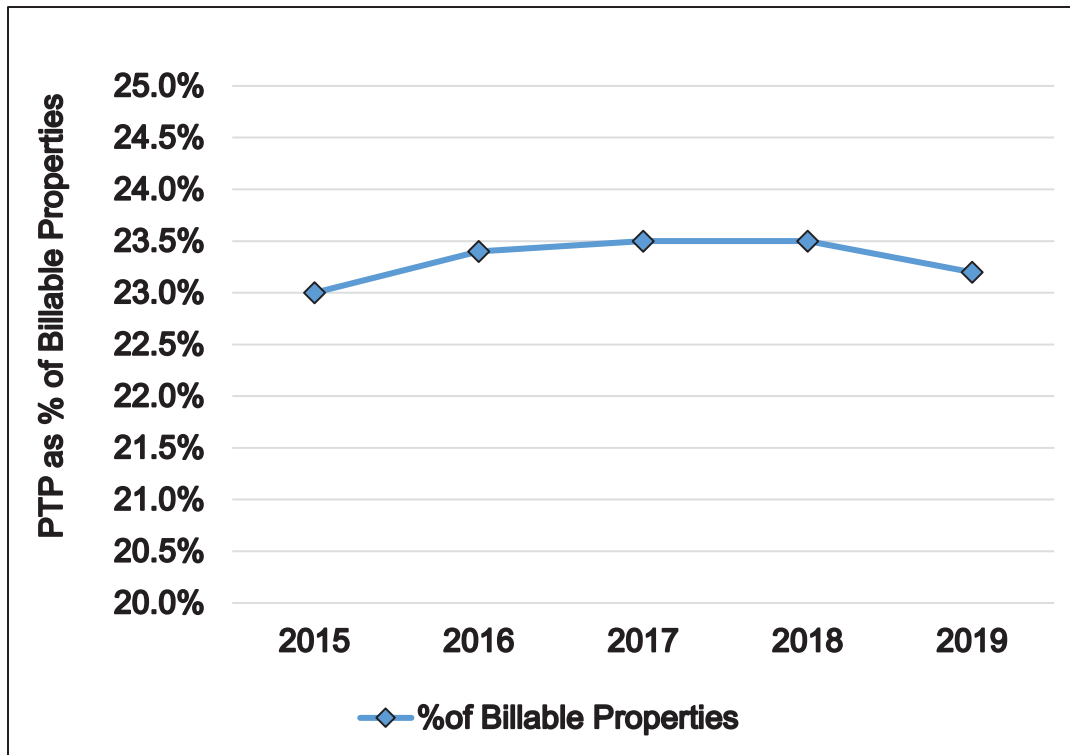


Although the overall enrollment count has increased by 60 properties, the percentage of pre-authorized enrollments compared to billable properties during the same period has slightly decreased from 23.5% in 2019 to 23.2% in 2020.



The Corporation of the Town of Milton

Figure 2 – PTP Program Enrollment as % of Total Billable Properties

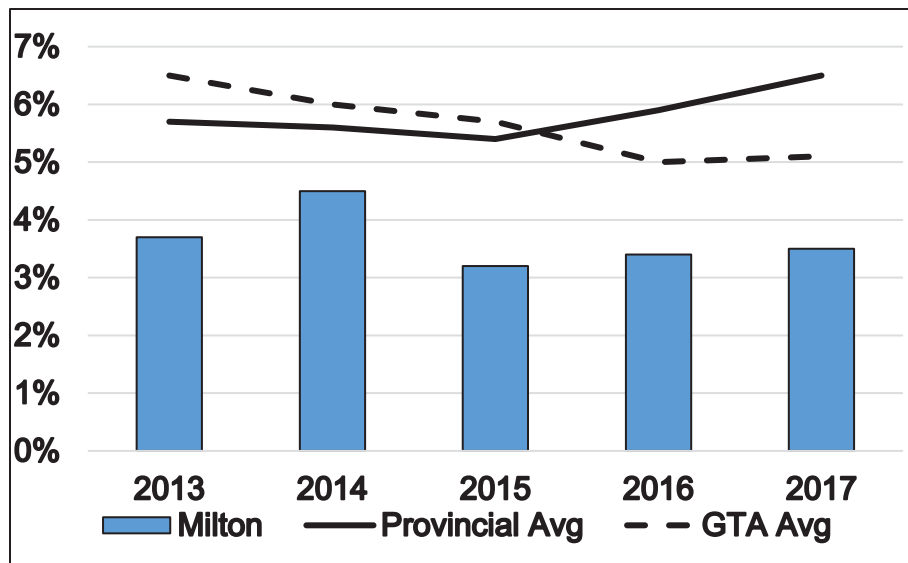


These increasing enrollment trends are positive for Milton as the PTP program is one component of the Town's efforts to promote the timely and fulsome collection of property taxes. The amount of property taxes receivable as a percentage of taxes levied is reported annually as part of the annual municipal study prepared by Bruzzese Minshull & Associates Inc. The results are presented below, and reflect both the results of the Town's collection efforts along with the economic health of the community.



The Corporation of the Town of Milton

Figure 3 – Property Taxes Receivable as a % of Property Taxes Levied



Town staff are preparing to initiate the electronic process for the year 2020 monthly PTP participants. Notification to the ratepayer of the withdrawal amounts and their respective due dates is a requirement of the *Municipal Act*. Therefore, the by-law on tonight's agenda for the proposed due dates for the monthly plan is being presented for consideration.

The interim monthly PTP amounts are calculated by using the 2019 returned assessment value (plus/minus any in-year assessment changes), multiplied by the 2019 final tax rate (Town, Region & Education), divided by 12 months.

The following is an interim sample based on a \$600,000 residential assessment:

$$\$600,000 \times .685776\% / 12 = \$343$$

(for each of the first 7 monthly withdrawals November through May)

The final 5 withdrawals for 2020 will be calculated using the 2020 returned assessment values multiplied by the 2020 final tax rates, less seven interim payments.

The calculation of the interim Due Date PTP amounts do not take place in November 2019 as these amounts will be determined in January 2020 using the 2020 returned assessment values along with the calculated notional tax rates.



The Corporation of the Town of Milton

Financial Impact

A year 2020 interim PTP By-law is required so that the Town can meet its financial obligations, and to provide the necessary funding for the other levying bodies.

Respectfully submitted,

Troy McHarg
Commissioner, Corporate Services / Town Clerk

For questions, please contact: Lesley Payton, Manager Tax & Phone: Ext. 2141
Assessment

Attachments

CAO Approval
Andrew M. Siltala
Acting Chief Administrative Officer