



## City of North Bay Report to Council

Report No: CORP-2024-098

Date: November 12, 2024

Originator: Margaret Karpenko

Business Unit: Corporate Services

Department: Financial Services Department

Subject: 2025 Interim Tax Rate By-Law; 2025 Adjustments to Interim Taxes By-Law

Closed Session: yes  no

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### Recommendation

That Council authorize a by-law to levy certain interim rates, taxes and charges for the 2025 taxation year and a by-law to adjust interim taxes for the 2025 taxation year.

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### Background

Section 317 of the *Municipal Act, 2001*, provides the Council of local municipalities with the authority to pass by-laws to levy amounts or “interim rates” on the assessment of property before the adoption of the annual budget and/or issuance of the final tax bill.

Section 317(3) permits an interim tax levy of 50% of the total taxes for municipal and school purposes levied in the previous year.

Section 317(9) provides municipalities with the authority to adjust the interim tax levy if, in the opinion of Council, the taxes levied on a property were too high or too low in relation to its estimate of total taxes that will be levied on the property.

There are numerous accounts that require adjustments to the interim levy resulting from:

1. New roll numbers in 2025 – New properties on the assessment roll for 2025, therefore, there are no assessed values in 2024. If not adjusted, would result in no interim bill being issued and the total levy on the final bill which would pose a financial hardship to ratepayers.
2. Severed/subdivided/split properties – In 2024 the total assessment/levy was on the original roll number therefore, the 2025 interim bill would apply only to the original roll number. This would result in a bill that would be substantially higher than permitted under the legislation and also potentially higher than the total levy for the year. The new roll numbers created do not have assessed values associated with them, therefore, no interim bill would be produced, only a final bill.
3. Valuation Reductions – Reductions in assessment from 2024 to 2025. If not adjusted, in some cases we would levy far more than the 50% permitted under the legislation.
4. Valuation Increases/consolidation of properties – Increases in assessment from 2024 to 2025 resulting from a physical change or equity change. If not adjusted, would result in an interim bill that is disproportionate to the final bill which may pose a financial hardship to ratepayers.

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## Financial/Legal Implications

See Options/Analysis for Financial Implications.

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### Corporate Strategic Plan

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|---|--|
| <input type="checkbox"/> Natural North and Near                           | <input type="checkbox"/> Economic Prosperity     |
| <input type="checkbox"/> Affordable Balanced Growth                       | <input type="checkbox"/> Spirited Safe Community |
| <input checked="" type="checkbox"/> Responsible and Responsive Government |  |

### Specific Objectives

- Ensure the efficient and effective operations of the city, with particular consideration to the impact of decisions on the property tax rate
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### Options Analysis

**Option 1:** That an interim by-law not be enacted and Council levy a final tax bill only.

The ratepayers benefit with the City's issuance of an interim billing as it helps spread the payments over two installments rather than one. The interim by-law also generates cash flow for the City thereby, reducing the potential requirement to draw on the City's line of credit.

The City of North Bay has always issued an interim tax bill representing approximately 50% of the previous year's taxes. This is also the policy of virtually all of the municipalities in Ontario.

This option is not recommended.

**Option 2:** That Council enacts:

- (i) a by-law to levy certain interim rates, taxes and charges for the 2025 taxation year;
- (ii) a by-law being a by-law to adjust interim taxes for the 2025 taxation year.

This option is recommended as it would result in the appropriate amount levied to ratepayers as authorized by Section 317 of the *Municipal Act 20*

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### Recommended Option

Option number 2 is recommended.

That Council authorize a by-law to levy certain interim rates, taxes and charges for the 2025 taxation year and to authorize a by-law to adjust interim taxes for the 2025 taxation year.

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Respectfully submitted,

Name: Margaret Karpenko, CPA, CMA  
Title: Chief Financial Officer /Treasurer

### We concur with this report and recommendation

Name: John Severino, P.Eng., MBA  
Title: Chief Administrative Officer

Personnel designated for continuance:

Name: Dan Robinson  
Title: Manager, Revenues & Taxation