

Item:



## Finance, Administration and Audit Committee Report

---

**DATE:** Wednesday, June 06, 2018

**WARD(S):** ALL

**TITLE:** Amendment to City of Vaughan By-Law 72-2003 to Delegate Authority relating to Property Assessment and Taxation Appeals

**FROM:**

Laura Mirabella, Chief Financial Officer and City Treasurer

**ACTION:** DECISION

---

### **Purpose**

The purpose of this report is to review the authority previously provided to City staff and update accordingly in order to streamline administrative processes and optimize the operation of the Property Tax and Assessment department.

### **Report Highlights**

- In 2003 Council enacted a by-law delegating authority related to assessment and taxation appeal matters to staff in the Property Tax and Assessment department
- The Municipal Act requires the delegation of authority by enactment of a by-law
- An amendment is required to by-law 72-2003 due to change in staff complement

### **Recommendations**

That subsection 8 of the City's Delegation By-law No. 72-2003 be amended to reflect the Manager of Property Tax & Assessment and/or the Supervisor of Assessment and/or the Assessment Review Officer

## **Background**

Section 40 of the Assessment Act allows that any person, including a municipality, may appeal assessments to the Assessment Review Board (ARB). The City's current \$94 billion assessment base must be managed so that it provides maximum property tax revenue in a fair and equitable way.

The City's assessment base is under constant challenge each year, through the provisions of the *Assessment Act* and the *Municipal Act*. Therefore, the city must have appropriate processes and staff in place in order to defend these challenges, correct significant errors when found, and/or ensure that if there is a resolution, the outcome is accurate.

Beginning in April 2017, the ARB introduced new Rules of Practice and Procedure which has ushered in significant changes to how the city is to participate in property tax and assessment appeals. One of these changes includes new rules around mandatory mediation meetings and/or settlement conferences. In order to respond to and support these changes, the 2018 budget included funding for a new position, Supervisor of Assessment.

## **Previous Reports/Authority**

<https://vol.vgn.cty/departments/OCC/Council%20Secretariat/ByLaw%20Library/1996/2-96.pdf#search=January%208%2C%201996>

<https://vol.vgn.cty/departments/OCC/Council%20Secretariat/Extracts%20Library/1996/Council/EXT08JAN.pdf#search=January%208%2C%201996>

<https://vol.vgn.cty/departments/OCC/Council%20Secretariat/Extracts%20Library/2003/Committee/22cw0303-ex.pdf#search=Extract%20from%20Council%20March%2017%2C%202003>

## **Analysis and Options**

To be effective in the new appeals system, the City needs to review its business processes and review its delegation of authority. It must ensure the staff involved in the appeals process have the appropriate delegated authority to participate.

### **Staff involvement**

The City must file a Statement of Issues and Responses if it wants to actively participate in an appeal. The City remains as a statutory party but is not given any special or priority status. According to the new rules, if a party does not file a statement of response by the date specified in the Schedule of Events, that party is deemed not to oppose any future settlement in the proceeding. Therefore, if the City does not file a statement of response, it will lose any ability to effect or challenge any settlements that may be reached. This being the case, city staff must become more involved earlier in the appeal process than before.

### **Delegation of Authority**

Currently, city staff do not have full binding authority to participate in mediation/settlement conferences. One of the changes in the ARB process and rules dictates that to now fully participate in the appeals process, the city must authorize its representative the ability to accept, reject or modify any settlement offers at the time the offer is made. These offers can now occur at mandatory meetings, mediation, and/or settlement conferences prior to any hearing being set by the ARB. The city needs to ensure the appropriate authority is in place.

The City's current by-law authorizes the Manager of Property Tax & Assessment as the Treasurer's designate with respect to all matters relating to assessment and taxation appeals. Further, it also designates authority to the Manager to attend before the Assessment Review Board. Due to the change in the ARB rules with respect to mandatory meetings, mediation, and/or settlement conferences, as well as due to the addition and change to staff, it is recommended that the by-law be amended to reflect the designation of authority to the Supervisor of Assessment and/or the Assessment Review Officer as well as the Manager of Property Tax & Assessment.

### **Financial Impact**

The ARB's new rules have been put in place with the clear intent to hear and resolve all appeals within the 4-year assessment cycle (currently 2017 to 2020). The intent is that the city will not be impacted with a resolution of appeals five, eight or ten years after being filed which has often been the case in the past.

When city staff are more actively involved and engaged in the process, this ensures that they contribute more input and influence into the scheduling of the appeals as well as possible earlier resolutions. This also allows for improved knowledge of potential financial impacts during the process.

### **Broader Regional Impacts/Considerations**

N/A

### **Conclusion**

In order to streamline administrative processes, optimize new legislated procedures and ensure the correct authority is in place within the City's assessment review and appeal functions, it is advisable that subsection 8 of the City's Delegation By-law No. 72-2003 be amended to reflect the designation of authority to the Manager of Property Tax & Assessment and/or the Supervisor of Assessment and/or the Assessment Review Officer.

**For more information**, please contact: Dean Ferraro, Director City Financial Services/Deputy Treasurer, ext 8272 or Maureen Zabiuk, Manager, Property Tax & Assessment, ext. 8268

**Attachments**

**N/A**

**Prepared by**

Maureen Zabiuk, A.I.M.A., CMRP  
Manager, Property Tax & Assessment, Ext. 8268