

Committee of the Whole (1) Report

DATE: Tuesday, December 03, 2019

WARD(S): ALL

**TITLE: BY-LAW TO DELEGATE COUNCIL AUTHORITY PURSUANT TO
SECTIONS 354, 357, 358 AND 359 AND SECTION 356 OF THE
MUNICIPAL ACT, S.O. 2001**

FROM:

Michael Coroneos, Deputy City Manager, Corporate Services and Chief Financial Officer

ACTION: DECISION

Purpose

To obtain Council's approval that a by-law be passed to delegate authority to the City Treasurer or his/her designate to undertake certain actions related to the cancellation, refund, reduction, or increase of taxes under Sections 354, 357, 358, and 359 of the *Municipal Act, 2001* and the apportionment of unpaid taxes in accordance with Section 356 of the *Municipal Act, 2001* ("the Act").

Report Highlights

Section 354, 357, 358, 359 – increase or cancellation of property taxes:

- There are various reasons for tax adjustments under these sections of *the Act* such as property becoming exempt, roll numbers being cancelled by the Municipal Property Assessment Corporation (MPAC), buildings that have been demolished or razed by fire and properties that have been over assessed by a gross or manifest clerical error. These tax adjustments do not relate to collection issues.

Section 356 – Division Into Parcels:

- Adjustments under Section 356 allow staff to bill separate property owners their proportionate share of property taxes that remain outstanding on a property tax account that has been severed into two or more parcels. An apportionment does not result in a reduction or increase of taxes; it simply shares the taxes levied among the new parcels based on the apportioned value of assessment.

Delegation of Authority:

- Enact a by-law to delegate authority to the City Treasurer or his/her designate to cancel, reduce, refund or increase taxes in accordance with Sections 354, 357, 358, 359 of the *Municipal Act* and apportion unpaid property taxes in accordance with Section 356 of the *Municipal Act*.
- The delegation of these adjustments will result in enhanced service delivery; staff timely response will increase, thus increasing the City's excellence in customer service.
- Under *the Act*, Council is required to hold a Statutory Public Hearing every year, for approval of these types of adjustments once the legislated date of September 30 has passed. This delegation will expedite the process and the ratepayer will no longer have to wait for any approvals pertaining to their adjustment/credit.
- The property owner/appellant still retains the right to appeal any decision by staff to Council through the Deputation process as well as to the Assessment Review Board should they disagree with staff decision and adjustment.

Recommendations

1. That a by-law be approved to delegate authority to the City Treasurer or his/her designate to cancel, reduce, refund, or increase taxes in accordance with Sections 354, 357, 358, 359 of the *Municipal Act* and apportion unpaid taxes accordingly under Section 356 of the *Municipal Act*; and
2. That the by-law contain the property owner's/appellant's right to appeal staff decision to Council through the Deputation process and to the Assessment Review Board as legislated under the *Municipal Act*.

Background

The City prepares reports for adjustments under these sections of the *Municipal Act* at least twice a year in accordance with legislation. There are various reasons for tax adjustments under Section 354, 357, 358 and 359 such as property becoming exempt, roll numbers being cancelled by MPAC, buildings that have been demolished or razed by fire or demolition and properties that have been over assessed by a gross or manifest clerical error. These tax adjustments do not relate to collection issues.

Under Section 356, *Municipal Act*, taxes that remain outstanding on a property tax account that has been severed into two or more parcels can be apportioned to the newly created lots. An apportionment does not result in a reduction or increase of taxes; it simply shares the taxes levied among the new parcels based on the apportioned value of assessment.

It is recommended that the City Treasurer or his/her designate be delegated this authority to adjust the taxes on the properties where application has been made under these sections and in accordance with the provisions of these sections. The delegation of these adjustments will result in enhanced customer service as staff will be able to respond in a more timely fashion providing that higher level of service excellence. The ratepayer will no longer have to wait for the report to go Council for Statutory Public Hearing in order to receive their credit, correction and/or adjustment. This delegated authority will not inhibit the right of the appellant the ability to appeal any decision by staff to Council through the Deputation process as well as to the Assessment Review Board should the appellant disagree.

Previous Reports/Authority

N/A

Analysis and Options

Staff believe the current process of processing tax adjustments under these sections of the *Act* can be improved to reduce the time required to adjust or refund property taxes. With the current application process, a substantial amount of time can lapse between the time a property owner submits their application to the City and when they receive their tax reduction as the process involves review by Property Tax and Assessment staff, MPAC, setting up the hearing dates, reports, and final approval by Council. Final approval by Council is a requirement under *the Act* and is completed through a Statutory Public Hearing process. The minimum date for the Statutory Public Hearing is legislated under *the Act* as September 30. The Statutory Public Hearings have generally not been well attended as staff often handle any issue that may arise prior to that date.

This delegation will streamline the process and allow for greater operational efficiencies and benefit the City's requirement for continuous improvement.

In approving the delegation of authority, the process will be expedited, allowing a more effective customer service experience and increasing service excellence to the City and its taxpayers. There will not be a requirement for a Statutory Public hearing process. Often tax appeals are a result of damage to a taxpayers' property (i.e. fire, tornado) and it is frustrating for them to have to wait for their account to be adjusted accordingly, sometimes more than six-months to a year.

Further, in the current process, due to mandated provisions of the *Privacy Act*, the reports' attachments are spreadsheets listing the properties to be adjusted but only by roll number and type of adjustment. By not having the full detail and information on each property, Council could unknowingly and unintentionally be put into a position of conflict of interest.

It must be noted that should any property owner disagree with the decision made by the City Treasurer or his/her designate, under any of these sections, they will still maintain the option and right to appeal the decision to Council through the Deputation process as well as to the Assessment Review Board.

Financial Impact

N/A

Broader Regional Impacts/Considerations

N/A

Conclusion

Council approval of the delegation of authority will expedite the tax adjustment process under these sections of the *Municipal Act*, allowing a more effective customer service experience, improved service delivery and will add increased service excellence to the City. The applicant retains the right to appeal staff decision and adjustment to Council through the Deputation process as well as to the Assessment Review Board if so desired.

For more information, please contact:

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Attachments

None

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