

Staff Report



Financial Services Department

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REPORT TO: Finance and Corporate Services Committee

DATE OF MEETING: April 29, 2024

SUBMITTED BY: Saleh, Saleh, Director of Revenue, 519-741-2200 ext. 7346

PREPARED BY: Yang, Shanna, Revenue Analyst, 519-741-2200 ext. 7954

WARD(S) INVOLVED: All

DATE OF REPORT: March 27, 2024

REPORT NO.: FIN-2024-190

SUBJECT: Delegated Authority for Property Tax Adjustments

RECOMMENDATION:

That the BY-LAW attached to Report Fin-2024-190 to delegate authority to adjust property taxes pursuant to Sections 354, 357, 358 and 359 of the Municipal Act, 2001, S.O. 2001, c.25, to staff, be approved and presented to Council for enactment.

REPORT HIGHLIGHTS:

- The purpose of this report is to request council approval to delegate authority to adjust property taxes under Sections 354, 357, 358 and 359 of the Municipal Act, 2001, S.O. 2001, c.25, as amended (“the Act”) to staff as indicated, subject to any procedural requirements which apply to the provision; said delegation is for improved efficiency and service delivery.
- Applicants must currently wait until a council hearing to receive their property tax adjustments.
- Historically, applications have been processed with no changes to staff recommendations by Council as the process is legislated with very clear guidelines on adjustments allowed under the Act.
- Approval of the by-law will still allow applicants an opportunity to appeal staff decisions to the Assessment Review Board.
- Staff have completed a municipal scan and the recommendation is consistent with other municipalities.
- There are no financial implications of this report.
- This report supports the delivery of core services.

BACKGROUND:

Sections 354, 357, 358 and 359 of the Act gives local municipalities the authority to write off, cancel, reduce or refund all or part of taxes levied on land, subject to any procedural requirements which apply to the provision, in the year where applications are made for reasons as laid out in these sections of the Act. The reasons for adjustments are varied, examples include

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changes to property such as demolition or fire and overassessment due to gross or manifest clerical errors.

Currently, staff submit reports with recommendations for adjustments under these sections 2 - 3 times a year to council for approval. These reports include a list of applications made, reasons for any declined applications, amount of property tax adjustment required, and a reference to the part of the Act an adjustment is allowed under.

The amount of property tax adjustment is calculated by staff based on tax rate for the year an application relates to and the change in property assessment provided by MPAC. A notice of council hearing is provided by staff to applicants at least 14 days prior as per legislation. The notice also indicates if staff are recommending approving or declining the application along with information for the owner on how to contact staff if they have any questions or concerns.

As the council reports are brought forward 2-3 times a year, staff have received a few complaints from applicants about the length of time it takes to process applications and property tax refunds. The recommendation included in this report will allow staff to process applications quickly and more efficiently while continuing to adhere to the relevant legislation.

REPORT:

This report seeks Council approval to delegate its authority to adjust property taxes under Sections 354, 357, 358 and 359 of the Act to staff, subject to any procedural requirements which apply to the provision, by enacting the by-law attached to Report FIN -2024-190. The recommendation to delegate supports enhanced timeliness of service delivery as taxpayers applying for the adjustments will no longer have to wait until one of the scheduled council hearings to receive their adjustment.

In support of delegation, it should be noted that current council involvement in this process is already minimal and generally serves as the final approval step for staff recommendations. Over the past few years, Council has not made any adjustments to the staff recommendations. Staff must follow legislated criteria to determine which applications are allowed under the Act and calculation for any adjustments required are based on assessment changes provided by MPAC. Staff decisions are not arbitrary and there is little room for interpretation with current procedures for applications under these sections.

Under requirements of the Act, municipalities must hold meetings where applicants may make representations to council. Historically, there has only been a couple of cases over the last 15 years where representations by applicants were made at council hearings. With delegation of authority, staff can directly satisfy meeting requirements of the Act by notifying applicants of decision, responding to questions, and setting meetings to discuss disagreements where necessary. Furthermore, where the applicant's disagreement with staff decisions cannot be resolved, applicants still have a final avenue of appeal available through the Assessment Review Board.

Staff have completed a municipal scan and found several municipalities currently delegate authority for property tax adjustments under these sections to municipal staff. These

municipalities include Cambridge, Guelph, Hamilton, Oshawa, Milton, Peterborough, Vaughan, and many others.

STRATEGIC PLAN ALIGNMENT:

This report supports the delivery of core services.

FINANCIAL IMPLICATIONS:

Capital Budget – The recommendation has no impact on the Capital Budget.

Operating Budget – The recommendation has no impact on the Operating Budget.

COMMUNITY ENGAGEMENT:

INFORM – This report has been posted to the City’s website with the agenda in advance of the council / committee meeting.

PREVIOUS REPORTS/AUTHORITIES:

Municipal Act, 2001, S.O. 2001, c.25, as amended.

APPROVED BY: Jonathan Lautenbach, Chief Financial Officer.

ATTACHMENTS:

Attachment A – Draft by-law to delegate council authority to adjust property taxes pursuant to Sections 354, 357, 358 and 359 of the Municipal Act to staff.