

Request for Decision to Delegate Authority Pursuant to Sections 354, 356, 357, 358 and 359 of the Municipal Act, 2001

Presented To:	Finance and Administration Committee
Meeting Date:	August 9, 2022
Type:	Managers' Reports
Prepared by:	Kyla Bell Taxation
Recommended by:	General Manager of Corporate Services

Report Summary

This report provides a recommendation regarding delegating authority pursuant to Sections 354, 356, 357, 358, and 359 of the Municipal Act, 2001, to the City Treasurer or the Manager of Taxation or their designate to cancel, reduce, refund, increase or apportion taxes in accordance with such sections.

Resolution

THAT the City of Greater Sudbury directs staff to prepare a by-law to delegate authority to the Treasurer or Manager of Taxation or their designate to cancel, reduce, refund, or increase taxes in accordance with Sections 354, 357, 358 and 359 of the Municipal Act, 2001, and apportion taxes accordingly under Section 356 of the Municipal Act, 2001 as outlines in the report entitled "Request for Decision to Delegate Authority Pursuant to Sections 354, 356, 357, 358 and 359 of the Municipal Act, 2001" from the General Manager of Corporate Services at the Finance and Administration Committee meeting on August 9, 2022.

Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)

This report refers to operational matters.

Financial Implications

There is no anticipated financial impact of this proposed process change. Currently amounts relating to items adjusted for under Sections 354, 356, 357, 358 and 359 are accommodated within the existing tax write-off expense budgets.

Background

There are several sections under the Municipal Act, 2001, (*the Act*) that allow for different administrative actions to be executed relating to property tax accounts and the tax roll. Many of these sections provide for a public meeting and final approval by Council before an adjustment can be processed and completed on

the ratepayer's account.

Section 354 – Write-off of Taxes

This section of the Act describes conditions under which a local municipality shall remove unpaid taxes from the tax roll. The conditions include:

- If the treasurer recommends a write off of the taxes as uncollectible after an unsuccessful tax sale whether or not the property is vested in the municipality.
- If the taxes are no longer payable due to tax relief provided under section 319, 345, 357, 358, 362, 365.1 or 365.2 or a decision of any court.
- If the property is owned by Canada, a province or territory or a Crown agency of any of them or by a municipality.
- If it is the recommendation of the treasurer that a tax sale would be ineffective or inappropriate.

Section 356 – Division into Parcels

Section 356 allows for an apportionment of taxes levied among new parcels based on the apportioned value of assessment. An apportionment does not result in a reduction or increase in taxes. Adjustments under this section allow for the billing to separate property owners their proportioned share of taxes that have been levied once a property tax account has been severed into two or more parcels (property tax accounts).

All apportioned assessed values and effective dates are provided to the municipality by the Municipal Property Assessment Corporation (MPAC).

Sections 357 and 358 – Cancellation, Reduction, Refund of Taxes

Applications for cancellation, reduction and refund of taxes under these sections may be made for various reasons such as a property becoming exempt, a change in classification (use), buildings that have been demolished or razed by fire or properties that have been over assessed by a gross or manifest clerical error. These adjustments do not relate to collection issues.

All applications are sent to the MPAC for consideration. MPAC conducts an internal review based on the information contained in the application against their records and recommends any necessary assessment and/or tax class changes. MPAC provides this recommendation through a Response Form to the City, which recommendation the City relies on to adjust the taxes.

Section 359 – Increase of Taxes

This section allows a municipality to increase taxes levied on land in a year to the extent of any undercharge that was caused by a gross or manifest error that is a clerical or factual error, including the transposition of figures, a typographical or similar error but cannot be an error in judgment in assessing the land.

Under 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 tax staff, MPAC, setting up hearing dates, reports, and final approval by Council. Final approval by Council is required under *the Act* and is completed through a hearing process. There is a legislated requirement to hold a meeting every year for approval of these types of adjustments by September 30th.

Generally, these meetings before the City's Hearing Committee have not been well attended as staff often address any issue that may arise prior to the that date.

Options/Discussion:

Delegate Authority

Staff believe that a delegation of Council's authority on these matters will reduce the time required to adjust or refund property taxes. This delegation will streamline the process and allow for greater operational efficiencies and benefit the City's objectives for continuous improvement.

In approving the delegation of authority, the process will be expedited, allowing for an improved and more effective customer service experience. The process would no longer require a hearing before the City's Hearing Committee which can delay an adjustment to a property tax account sometimes by more than six months. Often these adjustments relate to such things as a fire at the property and delay is very frustrating for the ratepayer.

It must be noted that should any property owner or appellant disagree with a decision made by the City Treasurer or Manager of Taxation or their designate, under any of these sections, they will still maintain the option to appear before a Committee of Council and the right to appeal the decision through the Assessment Review Board.

If approved, staff can bring a report to the Finance & Administration Committee on an annual basis that summarizes changes to the tax roll that have been completed in relation to these sections of the *Municipal Act*.

Staff have researched and determined that this is a standard practice by municipalities around the province such as the City of Vaughan, City of Guelph, City of Ajax, City of Oakville and more to have authority delegated to staff to evaluate and decide on these sections of *the Act*.

If Council agrees with the recommended approach, a by-law to delegate decision-making authority under sections 354, 356, 357, 358 and 359 to the Treasurer, Manager of Taxation or their designate will be presented for adoption.

Retain Authority

If Council's preference is to retain its decision-making authority under sections 354, 356, 357, 358 and 359, the current process will be maintained. Applications will continue to be presented to the Hearing Committee of Council on a regular basis for recommendation of approval by Council with final approval by Council.

Summary

If Council opted for the delegation, it would enhance service delivery and response times, improving the customer service experience for ratepayers.

The property owner/appellant would still retain the right to appeal any decision by staff to a Committee of Council and/or the Assessment Review Board should they disagree with the staff decision and/or adjustment.

It is recommended that Council approve the direction to have staff present a by-law delegating authority under Sections 354, 356, 357, 358 and 359 of the Act to the Treasurer, the Manager of Taxation or their designate.

Resources Cited

[Municipal Act, 2001](#)