



Report

Subject: Delegation of Authority – 357 and 358 Applications

Department: Corporate Services

Division: CPS

Report #: CPS-2024-021

Meeting Date: 2024-04-08

Recommendations

That report CPS-2024-021, Delegation of Authority – 357 and 358 Applications be received;

And that Council pass a by-law to delegate authority to the CFO / Treasurer or their designate to cancel, reduce, or refund taxes in accordance with Sections 357 and 358 of the *Municipal Act, 2001*.

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.

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 Municipal Property Assessment Corporation (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 Town, which recommendation the Town relies on to adjust the taxes.

Analysis

Delegation of authority for these applications is common practice across the Province and helps to streamline processes, allowing for greater operational efficiency. It is also aligned with the strategic goal of corporate capacity, by promoting service delivery innovation through modern approaches.

In approving this delegation of authority, the Section 357/358 application process will be expedited, allowing for an improved and more effective customer service experience. The process would continue to undergo the necessary due diligence by MPAC and Town staff, while no longer requiring a hearing before the Council which can delay an adjustment to a property tax account. Often these adjustments relate to such things as a fire at the property. Administrative delays are impactful to ratepayers who have already experienced a significant event.

It must be noted that should any property owner or appellant disagree with a decision made by the CFO/Treasurer or their designate, under any of these sections, they will still maintain the option to appear before Council, as well as the right to appeal the decision through the Assessment Review Board (ARB).

If Council agrees with the recommended approach, an amendment would be made to the Delegation of Authority By-law to delegate decision-making authority under sections 357 and 358 to the CFO / Treasurer or their designate will be presented for adoption.

Alternatively, if Council's preference is to retain its decision-making authority under sections 357 and 358, the current process will be maintained. All applications will continue to be presented to Council on a regular basis with a recommendation for approval.

Strategic Alignment

Strategic Plan

Strategic Goal: Corporate Capacity

Objective: Innovation

Sustainable Neighbourhood Action Plan

Theme: Corporate and Fiscal

Strategy: Demonstrate municipal leadership by considering the environment, social and economic impacts of all Town decisions.

Notice Provisions

Not applicable

Financial Impact

Applications submitted under Section 357 and 358 of the Municipal Act often result in post-billing adjustments. The result is a tax write-off, recognized as an expense to the Town. Tax write-offs are generally offset through supplemental tax billings.

The Council approved 2024 municipal budget included a provision for tax write-offs of \$300,000. This is offset by Supplementary tax billings which are estimated at \$700,000.

The updated assessment value resulting from the 357/358 application is incorporated within the updated tax roll for future years' calculation of property taxes.

Respectfully submitted

Reviewed by

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