



OAKVILLE

REPORT

Council

Meeting Date: August 15, 2023

FROM: Finance Department

DATE: August 15, 2023

SUBJECT: **By-law 2023-109, Delegation of Authority to the Assessment Review Board – Section 357(1)(d.1) of the Municipal Act, 2001**

LOCATION:

WARD: Town-wide

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RECOMMENDATION:

1. That the authority to determine eligibility for property tax reductions under the *Municipal Act*, 2001 s. 357(1)(d.1) Sickness or Extreme Poverty be delegated to the Assessment Review Board.
2. That By-law 2023-109, a by-law to delegate authority to the Assessment Review Board to exercise certain powers and functions of Council pursuant to Section 357(1)(d.1) of the *Municipal Act*, 2001 be passed.

KEY FACTS:

The following are key points for consideration with respect to this report:

- Staff is seeking approval from Council to delegate authority to the Assessment Review Board to determine eligibility for applications made under s. 357(1)(d.1) of the *Municipal Act*, 2001;
- This subsection provides the ability for a property owner or eligible applicant to apply for a cancellation, reduction, or refund of property tax due to sickness or extreme poverty;
- Subsection 357(11) allows Council to pass a by-law authorizing the Assessment Review Board to exercise the powers and functions of the Council with respect to applications made under subsections (1) and (5).

BACKGROUND:

Section 357(1) of the *Municipal Act*, 2001 allows property owners to apply for the cancellation, reduction or refund of all or part of property tax levied for various reasons that occur during the year.

Section 357(1) has a defined list of circumstances where upon application to the Treasurer, property tax may be cancelled, reduced, or refunded:

1. Change in property tax class - s. 357(1)(a)
2. Land has become vacant or excess land - s. 357(1)(b)
3. Property became exempt from taxation - s. 357(1)(c)
4. Property has been razed by fire, demolition or otherwise - s. 357(1)(d)(i)
5. Property has been damaged and/or substantially unusable - s. 357(1)(d)(ii)
6. Sickness or extreme poverty - s. 357(1)(d.1)
7. Mobile unit has been removed from land - s. 357(1)(e)
8. Gross or manifest (clerical or factual) error with the return of the assessment roll - s. 357(1)(f)
9. Repairs and/or renovations preventing normal use of land (min. three (3) months) - s. 357(1)(g)

An application may be made by the owner of the land or by another person who has an interest in the land, a tenant, occupant, or other person in possession of the land, or a spouse of the owner.

The town's Finance department receives s. 357(1) applications from applicants seeking property tax relief throughout the year. Finance, with the assistance of the Municipal Property Assessment Corporation (MPAC), evaluates the submissions for completeness, accuracy, and quantifies any assessment reduction, and subsequent tax refund to present to the Treasurer for approval or non-approval. The Treasurer has delegated authority to approve s.357(1) tax adjustments on behalf of Council, as per by-law 2018-126.

Each applicant is given notice of decision and has the opportunity to make representation at a town's Appeals Committee meeting if unsatisfied with the Treasurer's decision. If further unsatisfied with the Appeals Committee's decision, an applicant has the legislative right to make appeal to the Assessment Review Board (ARB) for final decision as per s. 357(7) and (17).

COMMENT/OPTIONS:

With the exception of application made under s. 357(1)(d.1) sickness or extreme poverty, the remainder of s. 357(1) criteria for application as per the aforementioned list are real property specific matters that concern valuation and, subsequently, taxation.

Taxation staff is experienced and knowledgeable with real property, assessment and taxation matters, and, in conjunction with MPAC, can determine an appropriate refund based on a reduction in valuation as per the application's claim, to provide as a recommendation for the Treasurer's approval.

Claims under s. 357(1)(d.1) sickness or extreme poverty is the exception, as this deals with personal health and financial matters as opposed to real property valuation. Applications made under sickness or extreme poverty are rare and require the applicant to prove their claim through various verifications of illness or destitution to prove the inability to pay property tax.

As per most municipalities, Finance staff do not have the necessary information or expertise to evaluate an application claiming an inability to pay property tax due to sickness or extreme poverty. However, the Assessment Review Board does have an established process and guidelines to handle sickness or extreme poverty applications, and therefore, can more effectively determine the legitimacy and appropriateness of these claims. More information on the ARB's process can be found in Appendix B to the staff report.

Delegation of authority to the Assessment Review Board will ensure that applicants seeking taxation relief under this subsection are dealt with impartially and appropriately through experienced members of the Assessment Review Board.

CONSIDERATIONS:

(A) PUBLIC

All efforts have been considered to ensure property owners and applicants are provided with assistance options in a fair and appropriate manner.

(B) FINANCIAL

Town staff budgets annually for tax adjustments under s. 357(1).

(C) IMPACT ON OTHER DEPARTMENTS & USERS

NA

(D) CORPORATE STRATEGIC GOALS

This report addresses the corporate strategic goal(s) to:

- Continuously improve our programs and services
- Be accountable in everything we do
- Be innovative in everything we do
- Be the most livable Town in Canada

(E) CLIMATE CHANGE/ACTION

NA

APPENDICES:

Appendix A – By-law 2023-109

Appendix B – ARB Information Sheet – Tax Relief Due to Sickness or Extreme Poverty

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Submitted by:

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