

## REPORT

### ADMINISTRATIVE SERVICES COMMITTEE

MEETING DATE: DECEMBER 5, 2016

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**FROM:** Financial Operations

**DATE:** November 4, 2016

**SUBJECT:** Tax Apportionments

**LOCATION:**

**WARD:** 5

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#### RECOMMENDATION:

That the recommended apportionment of taxes in the amount of \$4,987.36 attached as Appendix A to the report of the Financial Operations department, dated November 4, 2016, be approved.

#### KEY FACTS:

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

- To ensure that outstanding taxes do not become uncollectable when a parcel of land is split, any outstanding taxes belonging to the original parcel must be apportioned to the newly created properties.
- Outstanding taxes are apportioned on the basis of the assessment value assigned to the newly created properties.

#### BACKGROUND:

Section 356 of the *Municipal Act* provides municipalities with the authority to apportion unpaid taxes where land which was assessed as one block is subsequently divided into two or more parcels. In effect, the outstanding taxes on the land associated with the originating block are divided and attached to the newly created properties on the basis of assessment value. The unpaid apportioned taxes form a liability on those lands, originating from the initial block of land.

In accordance with legislative requirements of Section 356 of the *Municipal Act*, Council must approve tax apportionments.

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**COMMENT/OPTIONS:**

The Municipal Property Assessment Corporation (MPAC) has provided notice of the blocks of land that were subsequently divided after the return of the annual assessment roll for 2016 taxation year. Section 356 of the *Municipal Act* provides authority to municipalities to apportion any outstanding taxes associated with the originating block of land amongst the newly created land parcels originating from the separated block.

Legislatively, municipalities are responsible for determining what proportion of unpaid taxes is applied to each of the newly created properties, based on the assessment value designated to each new parcel. Accordingly, unpaid taxes attributable to the taxation year that MPAC has split from the originating blocks have been apportioned and applied to the newly created parcels and are summarized in Appendix A, as attached. The summary outlines the originating property blocks, the newly created properties, the affected taxation years and the recommended tax apportionments.

**CONSIDERATIONS:****(A) PUBLIC**

Legislation requires the municipality to advise affected property owners with a notice of the tax apportionment relating to their properties and the notification process has been completed.

**(B) FINANCIAL**

Apportioning unpaid property taxes on divided parcels of land ensures the collection of taxes which is the responsibility of the Town and integral to the Town's obligation to pay the Region and School Boards tax revenue and finance the Town's operations

**(C) IMPACT ON OTHER DEPARTMENTS & USERS**

N/A

**(D) CORPORATE AND/OR DEPARTMENT STRATEGIC GOALS**

This report addresses the corporate strategic goal to:

- be accountable
- be fiscally sustainable

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**(E) COMMUNITY SUSTAINABILITY**

Ensuring the Town receives the maximum revenue derived from the assessment roll assists in funding all faucets of the community

**APPENDICES:**

Appendix A = Summary of Tax Apportionments

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