



Staff Report

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Report To:	General Government Committee		
Date of Meeting:	January 4, 2021	Report Number:	FSD-001-21
Submitted By:	Trevor Pinn, Director of Financial Services		
Reviewed By:	Andrew C. Allison, CAO	Resolution#:	
File Number:		By-law Number:	
Report Subject:	Delegation of Authority to enter into Extension Agreements to the Treasurer		

Recommendations:

1. That Report FSD-001-21 be received;
2. That the Council of the Corporation of the Municipality of Clarington delegate authority to the Treasurer to enter into extension agreements pursuant to Section 378 of the *Municipal Act, 2001*, and;
3. That the By-law attached to Report FSD-001-21, as attachment 1, be approved.

Report Overview

Staff are seeking approval from Council to delegate authority to enter into an extension agreement for properties registered for tax sale. Once a tax arrears certificate has been registered, only full payment of the cancellation price can be accepted. Payment must be received within one year of the date of registration. A property owner may request an extension agreement to extend this period. By delegating the authority to the Treasurer, this will allow staff to work directly with property owners in hopes to avoid the tax sale process

1. Background

- 1.1 Section 378 of the *Municipal Act, 2001*, provides that after the registration of a tax arrears certificate and before the expiry of one year following the date of registration, a Municipality may authorize an extension agreement.
- 1.2 Without an extension agreement, property owners have one year from the date of registration to pay the total cancellation price, which includes all taxes owing, penalties/interest and legal fees. Partial payments cannot be accepted. An extension agreement allows a qualified applicant to enter into an extension agreement to extend the time before a tax sale may take place.
- 1.3 Changes made under Bill 68 (*Modernizing Ontario's Municipal Legislation Act, 2017*) provided the ability for Council to delegate their authority to enter into an extension agreement. With the passing of Bill 68, legislation was amended to no longer require the passing of a by-law to authorize an extension agreement.

2. Comments

- 2.1 By delegating authority to the Treasurer to enter into an extension agreement, staff will be able to work with property owners and expedite payment on tax arrears with the goal of stopping the tax sale process. This allows property owners some privacy as it relates to these matters, as currently an extension agreement would have to be approved by council on an individual basis.
- 2.2 By entering into an extension agreement there is also the flexibility to receive payments other than in one lump sum payment; this provides staff an additional tool to work with residents who are having difficulty in making their payments.
- 2.3 If authority is not delegated, this can limit the time an extension agreement can be entered. If the final days of the one-year expiry date doesn't coincide with a council meeting, the deadline would be missed. The Municipal Act does not allow for a late agreement and the tax sale process would continue.

3. Concurrence

Not Applicable.

4. Conclusion

It is respectfully recommended that council delegate authority to the Treasurer to enter into extension agreements to assist in the Municipality's ability to collect outstanding taxes and avoid a tax sale.

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Attachments:

Attachment 1 – Bylaw to delegate authority to enter into tax arrears extension agreements

Parties:

There are no interested parties to be notified of Council's decision.

Attachment 1 to Report FSD-001-21

The Corporation of the Municipality of Clarington

By-law Number 2021-

Being a by-law to delegate authority to authorize the execution of tax arrears extension agreements pursuant to sections 378 of the *Municipal Act, 2001*.

WHEREAS pursuant to section 23.1 and 23.2 of the *Municipal Act, 2001*, a local municipality may delegate to a person certain of its powers under the *Municipal Act, 2001*; and

WHEREAS pursuant to section 378 of the *Municipal Act, 2001*, a local municipality may enter into an extension agreement, extending the period of time in which a cancellation price is to be paid; and

WHEREAS the Council of the Corporation of the Municipality of Clarington deems it appropriate to enact this by-law for the purpose of delegating such duty.

NOW THEREFORE the Council of the Corporation of the Municipality of Clarington enacts as follows:

The Treasurer is hereby delegated the authority to negotiate and execute tax extension agreements on behalf of the Municipality of Clarington, subject to the following limitations:

- a. The tax extension agreement must be requested by and entered into with any owner of the land, the spouse of any owner of the land, any mortgagee, any tenant in occupation of the land or any person the Treasurer is satisfied has an interest in the land, in accordance with Section 378 of the *Municipal Act, 2001*; and
- b. The tax extension agreement must be compliant with the requirements of Section 378 of the *Municipal Act, 2001*;
- c. The tax extension agreement can only be entered into after a tax arrears certificate has been registered, and before the expiry of the one-year period.

This By-law shall come into force and effect upon the date of the final reading thereof.

By-law passed in open session this XX day of January, 2021.

Adrian Foster, Mayor

June Gallagher, Clerk