



## Staff Report

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<b>Report To:</b>	<b>General Government Committee</b>	
<b>Date of Meeting:</b>	January 4, 2021	<b>Report Number:</b> FSD-002-21
<b>Submitted By:</b>	Trevor Pinn, Director of Financial Services	
<b>Reviewed By:</b>	Andrew C. Allison, CAO	<b>By-law Number:</b>
<b>File Number:</b>		<b>Resolution#:</b>
<b>Report Subject:</b>	Delegation of Authority - Section 357(1) (d.1) Sickness or Extreme Poverty	

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### Recommendations:

1. That Report FSD-002-21 be received;
2. That the Council of the Corporation of the Municipality of Clarington delegate authority to the Assessment Review Board to determine eligibility for property tax reductions or refunds under the *Municipal Act, 2001*, Section 357 (1) (d.1) – Sickness or Extreme Poverty; and
3. That the By-law attached to Report FSD-002-21, as attachment 1, be approved.

## Report Overview

Staff are seeking approval from Council to delegate authority to the Assessment Review Board to determine eligibility for applications made under Section 357 (1)(d.1) of the *Municipal Act, 2001*. This section provides the ability for a property owner to apply for a cancellation, reduction or refund of property taxes due to sickness or extreme poverty.

## 1. Background

- 1.1 Subsection 357(1) of the *Municipal Act, 2001* allows property owners to apply for the cancellation, reduction or refund of property taxes for various reasons that occur during the year. The following list identifies reasons why the property owner may apply for a tax adjustment
  1. Change in tax class – 357(1)(a);
  2. Property became exempt from taxes – 357(1)(c);
  3. Property razed by fire, demolition or otherwise – 357(1)(d)(i);
  4. Property is damaged and substantially unusable – 357(1)(d)(ii);
  5. Sickness or extreme poverty – 357(1)(d.1);
  6. Mobile Unit removed – 357(1)(e);
  7. Gross or manifest clerical/factual error – 357(1)(f);
  8. Repairs/Renovation prevent normal use (minimum 3 months) – 357(1)(g).
- 1.2 An application can 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 or other person described.
- 1.3 Subsection 357(11) allows Council to pass a by-law authorizing the Assessment Review Board exercise the powers and functions of council with respect to applications made under subsections (1) and (5).
- 1.4 Taxation Services receives applications for property tax reductions from property owners throughout the year. Taxation Services, with the assistance of the Municipal Property Assessment Corporation (MPAC), evaluates the applications for completeness and accuracy, holds a meeting pursuant to subsection 357(5) allowing applicants to make representation, and then determines whether a tax adjustment is required.

## 2. Comments

- 2.1 Taxation staff have the ability, with the assistance of MPAC, to evaluate and determine whether a property qualifies for a tax adjustment in seven of the eight reasons identified through subsection 357(1) of the *Municipal Act, 2001* as identified above. Sickness or extreme poverty is the only exception. Similar to most municipalities, taxation staff do not have the necessary information or expertise to evaluate an application claiming an inability to pay taxes due to sickness or extreme poverty.
- 2.2 Applications claiming sickness or extreme poverty are rare. An application under this section of the Act requires the property owner to prove sickness and extreme poverty. A full review of their financial information including income tax returns and expenses must occur, and they may be asked to attend a hearing to discuss their situation.
- 2.3 The Assessment Review Board has an established process to handle these types of applications and can more effectively determine their appropriateness. By delegating authority to the Assessment Review Board, this will ensure that a streamlined, impartial and accessible program is available for property owners seeking relief.

## 3. Concurrence

Not Applicable.

## 4. Conclusion

- 4.1 It is respectfully recommended that Council delegate authority to the Assessment Review Board to manage the application process for tax relief due to sickness or extreme poverty.

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Staff Contact: Jessica James, Taxation Services Manager, 905-623-3379 ext. 2609 or jjames@clarington.net.

Attachments:

Attachment 1 – Bylaw to delegate authority to Assessment Review Board

Interested Parties:

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

Attachment 1 to Report FSD-002-21

The Corporation of the Municipality of Clarington

By-Law Number 2021-

Being 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*.

**Whereas** subsection 357(1)(d.1) of the *Municipal Act, 2001* as amended, authorizes applications to be made to the Treasurer of a municipality for the cancellation, reduction or refund of taxes levied in the year in respect of which the application is made where such person is unable to pay taxes because of sickness or extreme poverty; and

**Whereas** subsection 357 (11) of the *Municipal Act, 2001* as amended, authorizes the Council to pass a by-law to provide that the Assessment Review Board shall exercise the powers and functions of the Council under subsection 357(1)(d.1) and (5) with respect to the applications under subsection 357(1)(d.1) of the Act; and

**Whereas** any such by-law passed by Council shall apply to applications made in and after the year in which such by-law is passed and shall continue to apply until repealed; and

**Whereas** it is deemed expedient and appropriate by the Municipality of Clarington that the Assessment Review Board exercise the functions of Council under subsection 357(1)(d.1) of the *Municipal Act, 2001* for the current year and each year hereafter until repealed;

**Now therefore the Council of the Corporation of the Municipality of Clarington enacts as follows:**

1. That the Assessment Review Board shall exercise the functions of Council pursuant to subsections 357(1) and (5), with respect to applications made under subsection 357(1)(d.1) of the *Municipal Act, 2001*.
2. That subsections 357 (6), (7), (8), (9) and (10) of said Act do not apply to such applications due to the delegation of authority.

3. That a certified copy of the By-law shall be forwarded to the register of the Assessment Review Board and to the Municipal Property Assessment Corporation in accordance with subsection 357 (12) of said Act.
  
4. That following the passing of this by-law, every application for cancellation, reduction or refund of taxes due to sickness or extreme poverty shall be forwarded to the Assessment Review Board for processing.

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

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Adrian Foster, Mayor

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June Gallagher, Clerk