

Date: 2023-10-30

Subject: **Land Tax Apportionments Pursuant to the Municipal Act, 2001**

Contact: Nash Damer, Treasurer, Finance

Report Number: Corporate Support Services-2023-960

Recommendations:

1. That the report from Nash Damer, Treasurer, Finance to the Committee of Council Meeting of November 29, 2023, re: **Land Tax Apportionments Pursuant to the Municipal Act, 2001** , be received;
2. That the unpaid taxes for the lands encompassed by the assessment roll numbers listed in **Schedule A** to this report be apportioned according to their relative value for each year as indicated in Schedule A.

Overview:

- This report is to obtain Council approval for the apportionment of unpaid taxes on certain subdivided land in accordance with Section 356 of the *Municipal Act, 2001*.
- Apportionments are required when properties originally assessed in one lot or block has the land assessment split into two or several additional portions to reflect their actual final configuration. These transactions only re-distribute existing assessment and do not create any new assessment.

Background:

Apportionments are required when properties originally assessed in one lot or block have the land assessment split into two or several additional portions to reflect their actual final configuration. These transactions only re-distribute existing assessment therefore the re-allocation to the tax base is revenue neutral.

The Municipal Act, 2001 sets out the procedures to be followed for the re-allocation of assessment through an apportionment. The procedure includes: notifying property

owners of the report being submitted to Council, Council's review and approval of the apportionment, notification to the property owner(s) of Council's decision, and property owner appeal rights to the Assessment Review Board (ARB).

Current Situation:

The attached schedule (Schedule A) summarizes the information provided on the Apportionment of Assessment forms received from the Municipal Property Assessment Corporation (MPAC) for properties identified as requiring land assessment/tax recalculations for various tax year(s) as indicated.

Subsection 356 of the *Municipal Act, 2001* provides as follows:

“Upon application by the treasurer of a local municipality or to the treasurer by an owner of land, the local municipality may,

(a) divide, for the purposes of this section, land which is assessed in one block into two or more parcels if each parcel is one that can be legally conveyed under the Planning Act;

(b) apportion the unpaid taxes on the land among the parcels:

(i) in proportion to their relative value at the time the assessment roll for the year in which the application is made was returned, or

(ii) if council is of the opinion that an apportionment under sub clause (i) is not appropriate due to special circumstances, any other manner; and

(c) direct what proportion of any part payment of taxes on the land is to be applied to each of the parcels.”

Applicants and owners of each of the properties listed on the schedule have been notified by mail at least 14 days before the meeting at which the matter will be considered. A second letter will be sent to each of the property owners affected by this transaction to indicate the amount of unpaid taxes assigned to their property and that if they wish to appeal this decision to the ARB, they must do so within 35 days of the Council decision.

Corporate Implications:

Financial Implications:

There are no immediate corporate implications. The apportionment of taxes does not affect other departments. The re-allocation of the total taxes is revenue neutral.

Strategic Focus Area:

This report supports the strategic focus area of government and leadership, focusing on service excellence with equity, innovation, efficiency, effectiveness, accountability, and transparency.

Conclusion:

The tax levy of the municipality is based on the assessment roll delivered by MPAC to the City in December of the previous year. It is very common for land changes to occur after the return of the roll due to severances or consolidations. To ensure accurate taxation, it is necessary to apportion the taxes of the pre-severed lands to reflect the new land configuration and the new owners of these lands. Property owners do have the option to appeal the apportionment to the ARB, if they disagree with the amount. The ARB cannot increase or decrease the overall amount, but can only re-allocate the original assessment value amongst the affected parcels.

Authored by:

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Approved by:

Submitted by:

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Attachments:

Schedule A – Summary of Apportionment of Taxes