



Report to: General Committee

Report Date: October 6, 2009

SUBJECT: Apportionment of Taxes
PREPARED BY: Paul Wealleans, Director, Taxation

RECOMMENDATIONS:

THAT the report "Apportionment of Taxes" be received;
AND THAT the policy outlined in this report regarding the apportionment of taxes be adopted;
AND THAT staff be authorized and directed to do all things necessary to give effect to this resolution.

EXECUTIVE SUMMARY:

Not applicable.

PURPOSE:

The purpose of this report is to formalize a policy for the hearing and disposition of apportionment applications pursuant to Section 356 of the *Municipal Act, S.O. 2001*.

BACKGROUND:

Section 356 of the *Municipal Act, S.O. 2001* permits an apportionment of taxes due to a severance when one parcel of land is split into 2 or more parcels. The apportionment application can be initiated by the Treasurer of the Municipality or by the owner of one or more of the parcels.

The apportionment does not change the total amount of taxes levied before and after the apportionment, but rather splits the taxes based on the new parcels. This section permits the apportionment of the unpaid taxes on the land for the year in which the application is made.

OPTIONS/ DISCUSSION:

Section 356 of the *Municipal Act, S.O. 2001* provides that apportionment applications be made to the Council of the municipality. A notice of application to apportion must be given to all owners. If Council approves the apportionment, the decision can be appealed to the Assessment Review Board (ARB) under section 356(6) of the *Municipal Act*. The *Act* also permits municipalities to delegate the apportionment function to the ARB should it wish to. A fee is charged by the ARB for each application to apportion taxes, including an appeal from Council.

It is recommended that Council retain the apportionment function and not delegate to the ARB. This is in line with other tax decision responsibilities such as tax applications under Sections 357 and 358 of the *Act* and tax write offs under Section 354 of the *Act*.

In order to process apportionments, the following process is recommended:

- (1) Tax staff will receive or initiate apportionment applications, provide notice of acknowledgment of receipt, and forward applications to the Municipal Assessment Property Corporation (MPAC) for review;
- (2) MPAC will review their property records and prepare a statement. This statement splits the assessed values on which taxes are levied between the properties;
- (3) On receipt of the statement from MPAC, the tax staff will issue the appropriate notice of hearing to the respective owners advising of the pending apportionment and date of hearing;
- (4) The Treasurer will provide a report that contains a list of all applications, reasons for applications along with the recommendation for apportionment to Council.

Currently, the Town processes apportionment applications utilizing a similar process with the exception of a Council report. The formalization of the policy outlined in this report will provide Council with the reporting mechanism as contained in the *Act*.

It is expected that the applications will be included in a single report annually to Council.

FINANCIAL CONSIDERATIONS:

None.

HUMAN RESOURCES CONSIDERATIONS:

Not applicable.

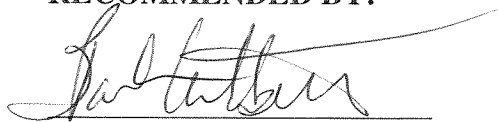
ALIGNMENT WITH STRATEGIC PRIORITIES:

Not applicable.

BUSINESS UNITS CONSULTED AND AFFECTED:

None.

RECOMMENDED BY:



Barb Cribbett
Treasurer



Andy Taylor
Commissioner, Corporate Services

ATTACHMENTS:

None