

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON SEPTEMBER 24, 2019
FROM:	ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	BY-LAW TO DELEGATE TAX APPEALS UNDER SECTION 357(1)(d.1) TO THE ASSESSMENT REVIEW BOARD

RECOMMENDATION

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the proposed attached by-law (Appendix "A") being "A by-law to delegate tax appeal applications under subsection 357(1)(d.1) of the *Municipal Act, 2001* S.O. 2001, c.25, as amended, to the Assessment Review Board in accordance with subsection 357(11) of the *Municipal Act, 201*, S.O. 2001, c.25, as amended" BE INTRODUCED at the Municipal Council meeting to be held on October 2, 2019.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

None

BACKGROUND

On rare occasions the City has received enquiries regarding tax appeals under subsection 357(1) (d.1) of the *Municipal Act, 2001*. This subsection gives municipalities the discretion to "cancel, reduce or refund all or part of taxes levied on land in the year in respect of which the application is made, if the applicant is unable to pay taxes because of sickness or extreme poverty." The *Municipal Act, 2001* provides no definition or specific criteria as to what constitutes "sickness or extreme poverty". In addition, there are no evidentiary requirements set out in the *Municipal Act, 2001* in support of such applications.

When enquiries have been received by the City related to this subsection of the *Municipal Act, 2001*, the situation normally has been that there are significant arrears on the property that cannot be addressed under subsection 357(1)(d.1) because subsection 357(3) requires that any appeal must be filed in the year that the taxes are due or by the last day of February of the immediately following year. In addition, many individuals are reluctant to provide the personal information and documentation required to verify sickness or extreme poverty. As a result, appeals under subsection 357(1)(d.1) have not been submitted for a number of years.

Some larger Cities in Ontario have adopted a policy to refer any appeals received under subsection 357(1)(d.1) directly to the Assessment Review Board in accordance with subsection 357(11) of the *Municipal Act, 2001*. These Cities include, but are not limited to, Toronto, Ottawa, and Hamilton. The advantages of this approach are as follows:

- provides for a consistent approach by an independent body that has experience with the particular type of appeal;
- provides for strict evidentiary standards, including the administration of oaths

- provides for confidentiality for personal information; and,
- provides for formal rules for proceeding to be applied in accordance with legislation related to the Assessment Review Board.

It is recommended that the City of London also delegate this type of appeal, whenever received, to the Assessment Review Board. A copy of the Assessment Review Board's information sheet for persons filing Sickness and Extreme Poverty appeals is attached to this report as Appendix "B". If the Assessment Review Board cancels taxes under subsection 357(1)(d.1), any penalty and interest associated with the taxes will also be cancelled.

In order to put in effect the delegation of this type of tax appeal to the Assessment Review Board, a by-law in accordance with subsection 357(11) is required. A proposed by-law is attached as Appendix "A" to this report.

Upon approval of the by-law, the City's Property Taxes "Tax Refunds" web page, which currently houses the application for subsection 357 and 358, will be updated to incorporate the Assessment Review Board process as outline in Appendix "B" as it relates to subsection 357(1)(d.1). When the overall corporate website is updated, the City's Property Taxes web pages will be updated to improve user experience.

Financial Impact

Based on the experience of other municipalities, the anticipated financial impact of this proposed process change should not be significant and can be accommodated within the existing tax write-off expense budgets. Finance will monitor the impact of this delegation through annual budget monitoring processes.

SUMMARY

In summary, it is recommended that in accordance with subsection 357(11) of the *Municipal Act, 2001* Municipal Council enact the proposed by-law attached as Appendix "A" to this report to delegate any tax appeal application received under subsection 357(1) (d.1) to the Assessment Review Board.

PREPARED BY:	CONCURRED BY:
JIM LOGAN, CPA, CA DIVISION MANAGER – TAXATION & REVENUE	IAN COLLINS, CPA, CMA DIRECTOR, FINANCIAL SERVICES
RECOMMENDED BY:	
ANNA LISA BARBON, CPA, CGA MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER	

APPENDIX “A”

Bill No.
2019

By-law No.

A by-law to delegate tax appeal applications received under subsection 357(1)(d.1) of the *Municipal Act, 2001*, S.O. 2001, c.25, as amended, to the Assessment Review Board in accordance with subsection 357(11) of the *Municipal Act, 2001*, S.O. 2001, c.25, as amended.

WHEREAS subsection 5(3) of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS subsection 357(1)(d.1) of the *Municipal Act, 2001*, as amended, provides that upon application to the treasurer of a local municipality made in accordance with subsection 357(11) of the *Municipal Act, 2001*, as amended, the local municipality may cancel, reduce or refund all or part of taxes levied on land in the year of which application is made where the applicant is unable to pay taxes because of sickness or extreme poverty;

AND WHEREAS subsection 357(11) of the *Municipal Act, 2001*, as amended, provides that a council may pass a by-law authorizing the Assessment Review Board to exercise the powers and functions of the council under subsections 357(1) and (5) with respect to applications made under subsection 357(1) and subsections 357(6), (7), (8) (9) and (10) do not apply to these applications;

AND WHEREAS the Municipal Council of The Corporation of the City of London deems it appropriate to pass a by-law in accordance with subsection 357(1)(d.1) and subsection 357(11) of the *Municipal Act, 2001*, as amended;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Assessment Review Board shall exercise the powers and functions of the Municipal Council of The Corporation of the City of London under subsection 357(1)(d.1) of the *Municipal Act, 2001* in respect of an application for the cancellation, reduction or refund of taxes where the applicant is unable to pay taxes because of sickness or extreme poverty.
2. This by-law comes into force on the day it is passed.

PASSED in Open Council on October 2, 2019.

Ed Holder
Mayor

Catharine Saunders
City Clerk

First Reading – October 2, 2019
Second Reading – October 2, 2019
Third Reading – October 2, 2019



Tax Relief Due to Sickness of Extreme Poverty

What is a sickness or extreme poverty appeal?

Both the Municipal Act, 2001 and the City of Toronto Act, 2006 permit municipalities to cancel, reduce or refund all or part of taxes if you are unable to pay your taxes because of sickness or extreme poverty. If you believe you are entitled to tax relief for a particular tax year, you must apply before February 28 of next year. Applications are made to the municipality, unless the municipality has passed a by-law that gives the power to grant this tax relief to the Assessment Review Board (ARB).

How do I file this appeal?

If you are unable to pay your taxes because of sickness or extreme poverty you should contact your municipality for information on how to apply for tax relief. They will let you know the process to follow.

In some cases you will have to apply to the municipality and then, if you are not satisfied with the outcome, you can appeal to the ARB. In other cases you may be able to apply directly to the ARB.

In either case the deadline for applying for tax relief for each tax year is February 28 of the following year. For example, if you are seeking tax relief from your 2016 taxes, you would need to file your application on or before February 28, 2017.

File your appeal using the Sickness or Poverty Appeal Form, available [here](#).

After filling out the correct form, send it to the ARB **before the deadline**, there is no filing fee for Poverty or Sickness Appeals. Send your appeal:

By fax: 416-314-3717 or 1-877-849-2066, or

By mail: 655 Bay Street, 15th Floor, Toronto ON, M5G 1E5, or

In person: 655 Bay Street, 15th Floor, Toronto (on Bay, north of Dundas)

You will be mailed a letter letting you know that the ARB has received your appeal and that a hearing will be scheduled. You will also be provided with a date to start working on your appeal, which will be heard by summary proceeding.

For more information, see the General and Summary Proceedings information sheet, available [here](#).

How do I prepare for my hearing?

To prepare for your hearing, bring **two** photocopies of all documents you plan on presenting as evidence. Your evidence should:

- relate to the tax year of your appeal, and
- relate to all adults living with you.

Some examples of the kinds of evidence you should bring to prove your claim include:

- income statements from any source, including an employer, long term disability, spouses income, income from a tenant, or any other source,
- personal income tax assessments from the Canada Revenue Agency,
- documentation related to the Ontario Disability Support Program,
- personal bank statements for all of your bank accounts,
- a listing of all your assets and their value, including the value of the property, any other properties, vehicles, investments, RRSP's, Canada Savings Bonds, and any other assets,

- copies of monthly bills, and a detailed list of expenses, including items such as medications, medical supplies, transportation, loan payments, mortgage payments, groceries, personal expenses, child care, housing, life insurance, and any other expenses,
- supporting documents from doctors or other medical professionals for any medical care,
- supporting documents to show that you were unable to work because of sickness, such as documents from the Workplace Safety and Insurance Board, and
- any other evidence that you feel will support your position.

Under the ARB’s Rules of Practice and Procedure, you are required to disclose to the municipality **all** documents in your possession, control or power, that are relevant to the matters raised in your appeal, even if you do not intend to rely on a particular document at the hearing.

Note: Send one copy of all your evidence to the municipality before your hearing date. Contact the Revenue or Tax Department of your municipality to find out their mailing address.

Where will my hearing take place?

You will be sent a letter in the mail with the date, time and location of your hearing. The hearing will be held in the municipality you live in or as close to the municipality as possible.

Can anyone watch my hearing?

No. Appeals that deal with sickness or extreme poverty are private. These hearings only involve the person who filed the appeal, the municipality, and the ARB.

What if I am going to be late to my hearing?

Please call the ARB as soon as you realize you may be late. Call toll-free 1-866-448-2248 or (416) 212-6349 and ask to speak to a Case Coordinator. Make sure you have your hearing notice with you when you call, so you can provide the information needed to direct you to the right person.

Will the hearing venue be accessible?

ARB hearings are held in municipal sites throughout Ontario. The ARB’s offices are accessible and the Accessibility Standards for Customer Service applies to municipalities. The ARB strives to schedule hearings at accessible facilities. If you have any questions about accessibility, please call the ARB and ask to speak to the Accessibility Coordinator.

What if I need an interpreter?

Most hearings are held in English. The ARB can hold hearings in French or have a sign language interpreter at your hearing if you request it at least 25 days before your hearing date. If you would like to bring someone to your hearing to interpret for you in any other language, you may bring them with you for that purpose.

Where can I find more information?

For more information please refer to the ARB's *Rules of Practice and Procedure* which can be found on **our website** or by calling us at (416) 212-6349 or toll free 1-866-448-2248.

We are committed to providing services as set out in the *Accessibility for Ontarians with Disabilities Act, 2005*. If you have any accessibility needs, please contact our Accessibility Coordinator as soon as possible at (416) 212-6349 or 1-866-448-2248.

Please Note

APPENDIX “B”

The information contained in this sheet is not intended as a substitute for legal or other advice, and in providing this information, the ARB assumes no responsibility for any errors or omissions and shall not be liable for any reliance placed on the information in this sheet. Additional information, including the ARB’s *Rules of Practice and Procedure*, is available at www.elto.gov.on.ca, or by calling (416) 212-6349 or toll free 1-866-448-2248.



The **Environment and Land Tribunals Ontario (ELTO)** includes the Assessment Review Board, Board of Negotiation, Conservation Review Board, Environmental Review Tribunal, Ontario Municipal Board, Niagara Escarpment Hearing Office and the Office of Consolidated Hearings. The Tribunals operate under specific legislative requirements and share resources and best practices. The Assessment Review Board hears appeals from persons who believe there is an error in the assessed value or classification of a property and also deals with some types of property tax appeals under the Municipal Act and City of Toronto Act. For more information contact us at:

Environment and Land Tribunals Ontario
655 Bay Street, Suite 1500, Toronto, ON M5G 1E5
Telephone: (416) 212-6349 or toll free: 1-866-448-2248
Website: www.elto.gov.on.ca

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remboursement de vos dépenses