For Information Only

By-Law to Amend the Delegation By-law - Tax Extension Agreements

<table>
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<th>Presented To:</th>
<th>City Council</th>
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<tr>
<td>Presented:</td>
<td>Tuesday, Dec 11, 2018</td>
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<tr>
<td>Report Date</td>
<td>Monday, Nov 05, 2018</td>
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<td>Type:</td>
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<td>By-Law:</td>
<td>2018-205</td>
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Resolution
For Information Only

Relationship to the Strategic Plan / Health Impact Assessment
This report refers to operational matters.

Report Summary
This report provides an overview of the changes to the tax extension process and recommends amending by-law 2017-5 to authorize the Treasurer or the Manager of Taxation to individually negotiate, authorize and execute Tax Extension Agreements on behalf of the City of Greater Sudbury, in accordance with and subject to the provisions of section 378 of the Municipal Act, 2001.

Financial Implications
There are no financial implications associated with this report.
Background

The City has the right to commence a tax sale process in the event that property taxes remain unpaid for a period of two years. Once a tax arrears certificate is registered on title, the process can be terminated by the owner, or other specified persons paying the amount then owing to the City. This amount is known as the cancellation price. Once a year has passed from the date of registration of the tax arrears certificate (the “redemption period”), the City can move to the next steps in the process.

To assist a property owner whose property is subject to a tax arrears certificate, the Municipal Act 2001 provides for the right of the owner, the owner’s spouse, mortgagee, tenant in occupation or other person the treasurer is satisfied has an interest in the land, to request a tax extension agreement. A tax extension agreement provides for the payment of the cancellation price by installment payments. The tax extension agreement allows the City to recover the cancellation price while protecting the owner from the loss of his or her property. Provided the tax extension agreement is in good standing, the City cannot continue with the tax sale process. However, if default occurs, the City can continue with the tax sale process. It should be noted that a tax extension agreement can only be entered into prior to the expiry of the redemption period.

Prior to 2018, the Municipal Act 2001 provided that a request for a tax extension agreement had to be approved by Council, by way of by-law. As a result, staff would annually bring a report to council seeking authority for the treasurer to sign tax extension agreements in appropriate instances. The report would pertain to all of the properties on which a tax arrears certificate had been registered in that year. The bylaw would delegate signing authority to the treasurer, who would then respond to requests for tax extension agreements, set the terms of the agreement in compliance with the requirements of the Municipal Act, sign the agreements on behalf of the City and administer the tax arrears extension agreements.

In 2018, the Municipal Act 2001 was amended to remove the requirement for a bylaw to authorize the tax extension agreement. As a result, the owner and other qualified persons identified above are entitled to enter a tax extension agreement without specific Council authorization. To implement this legislative change, signing authority needs to be delegated to authorize the signing of these agreements.

It is recommended that the signing authority be delegated to the Treasurer or the Manager of Taxation, who has been appointed a deputy treasurer for tax sale purposes to establish the form of, sign and administer the tax extension agreements, all in compliance with section 378 of the Municipal Act, 2001. This is a continuation of the past practice of the City.
By-law 2018-205

A By-law of the City of Greater Sudbury to Amend By-law 2017-5
being a By-law of the City of Greater Sudbury Respecting the
Delegation of Authority to Various Officials of the City

Whereas Council for the City of Greater Sudbury deems it advisable to amend By-law 2017-5 being a By-law of the City of Greater Respecting the Delegation of Authority to Various Officers of the City of Greater Sudbury;

Now therefore Council of the City of Greater Sudbury hereby enacts as follows:

Add Section 20A – Schedule C

1. By-law 2017-5 being a By-law of the City of Greater Respecting the Delegation of Authority to Various Officers of the City of Greater Sudbury, as amended, is hereby further amended by enacting the following section 20A immediately after section 20 and before section 21:

“Tax Extension Agreements

20A. Each of the Treasurer and the Manager of Taxation are individually authorized to negotiate, authorize and execute Tax Extension Agreements on behalf of the City of Greater Sudbury, in accordance with and subject to the provisions of section 378 of the Municipal Act, 2001, S. O. 2001, c. 25, Sched. A.”

Effective

2. This By-law comes into effect upon passage.

Read and Passed in Open Council this 11th day of December, 2018

_____________________________ Mayor

_____________________________ Clerk
By-law 2018-205

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Mayor

Clerk