



Hamilton

CITY OF HAMILTON

**CORPORATE SERVICES
Taxation Division**

TO: Chair and Members Audit, Finance and Administration Committee	WARD(S) AFFECTED: WARD 7
COMMITTEE DATE: September 10, 2012	
SUBJECT/REPORT NO: Treasurer's Write-off of Taxes for the Dr. Bob Kemp Hospice under Section 354 of the Municipal Act, 2001 (FCS12060) (Ward 7)	
SUBMITTED BY: Roberto Rossini General Manager Finance & Corporate Services Department	PREPARED BY: Larry Friday (905) 546-2424 ext. 2425
SIGNATURE:	

RECOMMENDATION

That the Treasurer, under Section 354(4)(b) of the Municipal Act (2001), write off taxes in the amount of \$40,831 for the Dr. Bob Kemp Hospice at 227 Stone Church Road East.

EXECUTIVE SUMMARY

The property at 227 Stone Church Road East was opened in 2009 as the Dr. Bob Kemp Hospice to provide end-of-life care. A hospice under the Assessment Act up until December 31, 2010 was not eligible for assessment exemption under Subsection 3 (1) of that Act. In 2011, the Province of Ontario introduced Bill 173 known as "Better Tomorrow for Ontario Act (Budget Measures), 2011, S.O. 2011, c.9". Effective January 1, 2011, any non-profit hospice to provide end-of-life care became exempt for assessment and taxation purposes. As this bill does not cover the periods prior to 2011, there is a \$40,831 tax liability that the Dr. Kemp Hospice is requesting the municipality to forgive.

Alternatives for Consideration – See Page 3

FINANCIAL / STAFFING / LEGAL IMPLICATIONS (for Recommendation(s) only)

Financial: \$40,831 would be written off as follows: \$6,147 would be charged back to the English Public School Board, \$1,835 would be charged back to HAMTN 52167.252009 (Penalty and Interest), and \$32,849 to HAMTN 12040.000100 (Tax Write-Offs).

Staffing: None

Legal: None

HISTORICAL BACKGROUND (Chronology of events)

Staff was originally approached in September, 2009, by the Dr. Bob Kemp Hospice for a Section 357 taxation exemption. As there were no provisions under the Assessment Act for such an exemption, this request was denied. With the passing of Bill 173 by the Province, such establishments are now exempt from taxation effective January 1, 2011, and taxes since then have been exempted.

On April 13, 2012, Dr. Bob Kemp Hospice officially requested that the Treasurer and City Council forgive the 2009 and 2010 taxes through Section 354 of the Municipal Act, 2001. A copy of that letter is attached as Appendix A to Report FCS12060.

POLICY IMPLICATIONS

This is a one-time request that should have no bearing on similar organizations in Hamilton. The only other Hospice identified in Hamilton is at 90 Stinson Street and is already exempt as it is run by the Good Shepherd Centre. Section 354(4)(b) of the Municipal Act, 2001 allows Council to write-off taxes where conducting a tax sale would be considered inappropriate.

RELEVANT CONSULTATION

None.

ANALYSIS / RATIONALE FOR RECOMMENDATION

(include Performance Measurement/Benchmarking Data, if applicable)

City Council has already been involved in assisting this facility via a 20 year \$1.5 million forgivable loan, in adopting Motion 7.1(5), approved by City Council on March 23, 2012. As the City (owns) holds the first mortgage on the property, conducting a tax sale would in effect render the City's mortgage void.

The Province of Ontario has enacted special legislation with the passing of Bill 173 recognizing that such facilities should be exempt from taxation going forward from 2011. As the hospice was operational in 2009, this recommendation gives them credit for the two years not covered under Bill 173.

Section 354 (4) (b) of the Municipal Act allows Council to write-off taxes upon the recommendation of the Treasurer, as conducting a tax sale in this instance would be inappropriate.

ALTERNATIVES FOR CONSIDERATION

(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

Council could deny the request and enter into a payment arrangement with the hospice. There would be no Financial, Staffing, Legal or Policy implications with this proposal. The main drawback from this proposal would be that funding intended to run hospice programs would be diverted to pay off the outstanding tax liability.

CORPORATE STRATEGIC PLAN (Linkage to Desired End Results)

Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability, 3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development, 6. Environmental Stewardship, 7. Healthy Community

Intergovernmental Relationships

- ◆ Maintain effective relationships with other public agencies

Social Development

- ◆ Residents in need have access to adequate support services

Healthy Community

- ◆ An engaged Citizenry
- ◆ Adequate access to food, water, shelter and income, safety, work, recreation and support for all (Human Services)

APPENDICES / SCHEDULES

Appendix A to Report FCS12060 - Letter from Dr. Bob Kemp Hospice dated April 13, 2012.