



CITY OF HAMILTON

**CORPORATE SERVICES DEPARTMENT
Taxation Division**

TO: Chair and Members Audit, Finance and Administration Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: May 13, 2013	
SUBJECT/REPORT NO: A By-Law to Set a Minimum Property Tax Levy Amount (FCS13043) (City Wide)	
SUBMITTED BY: Mike Zegarac Acting General Manager Finance & Corporate Services	PREPARED BY: Larry Friday (905) 546-2424 ext. 2425
SIGNATURE:	

RECOMMENDATION

That Appendix "A" to report FCS13043 "By-Law to Set a Minimum Property Tax Levy Amount" under Section 355 of the Municipal Act, 2001 be passed.

EXECUTIVE SUMMARY

In 2012, there were 68 properties whose tax bills were less than \$5.00, with 45 of them being less than \$1.00. Section 355 of the Municipal Act allows the Municipality to set a minimum bill amount where, if the total amount payable is less than the minimum bill amount, the taxes would be reduced to zero.

Alternatives for Consideration – See Page 3.

**SUBJECT: A By-Law to Set a Minimum Property Tax Levy Amount (FCS13043)
(City Wide) - Page 2 of 3**

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

Financial: In 2012, the total sum of bills less than \$5.00 was \$72.14, of which approximately \$11.20 of that amount, being school board taxes. There would also be off-setting savings on postage and envelopes of 63 cents times 68 bills equalling \$42.84 for a net cost to the City of \$18.10.

Staffing: None.

Legal: The attached By-Law (refer to Appendix "A" of report FCS13034) provides for the authority to reduce the tax levy to zero on the properties affected.

HISTORICAL BACKGROUND (Chronology of events)

The actual cost to print, stuff and mail a tax bill is estimated to be close to \$1.00. In 201, the Municipal Property Assessment Corporation began assessing common element areas for condominium corporations, such as parking lots. They put a very low value on these areas, with some as low as \$9.00 leading to tax bills of 10 cents.

POLICY IMPLICATIONS/LEGISLATED REQUIREMENTS

Section 355 of the *Municipal Act, 2001*.

RELEVANT CONSULTATION

City Manager's Office, Legal Services Division

ANALYSIS / RATIONALE FOR RECOMMENDATION

(include Performance Measurement/Benchmarking Data, if applicable)

By setting a reasonable minimum tax levy amount, we are not creating and mailing tax bills that cost more to produce than they are worth. As the City already has a discretionary tax write-off policy of \$5.00 or less, this By-Law (refer to Appendix A of report FCS13034) aligns with that policy.

ALTERNATIVES FOR CONSIDERATION

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

City Council can choose not to set a minimum tax levy amount or can decide to set a different amount they feel is more reasonable.

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN:

Strategic Priority #2

Valued & Sustainable Services

WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.

Strategic Objective

2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.

APPENDICES / SCHEDULES

Appendix A – By-Law to Set a Minimum Property Tax Levy Amount.

Authority: Item (#), (Name) Committee
Report (#)
CM: (Date)

Bill No.

CITY OF HAMILTON

BY-LAW NO. _____

To Set a Minimum Property Tax Levy Amount

WHEREAS section 355 of the *Municipal Act, 2001* allows the City of Hamilton to pass a by-law to set the property tax levy on a property to zero where the property tax levy is less than a specified amount.

NOW THEREFORE the Council of the City of Hamilton enacts as follows:

1. Where the total amount of taxes payable on a property for a taxation year are equal to or less than \$5.00, the Treasurer is authorized to reduce the actual amount of taxes payable to zero.
2. This By-Law comes into force on the day of its passing.

PASSED this _____ day of _____, 2013.

R. Bratina
Mayor

R. Caterini
City Clerk