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.
**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.
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                     R. Caterini
Mayor                           City Clerk