



THE CORPORATION OF THE MUNICIPALITY OF KINCARDINE

Subject: Delegation of Authority - Tax Extension Agreements

Report Number: Treasury-2020-26

Meeting Date: Wednesday, February 19, 2020

Recommendation: THAT Council hereby receives Report Treasury-2020-26 and in doing so approves delegating authority to the Treasurer/Director of Finance to enter into Tax Extension Agreements.

Date to be considered by Council: Wednesday, February 19, 2020

Report Summary:

The purpose of this report is to obtain Council approval for delegating authority to the Treasurer/Director of Finance to enter into any and all Tax Extension Agreements, as provided by Section 378 of the Municipal Act, 2001.

Origin: Bill 68, *Modernizing Ontario's Municipal Legislation Act, 2017*

Existing Policy: Municipal Act, 2001

Background/Analysis:

Section 378 of the Municipal Act, 2001 provides that after the registration of a tax arrears certificate and before the expiry of one year following the date of the registration of the tax arrears certificate, a Municipality may authorize an extension agreement.

The tax sale procedure allows a qualified applicant to enter into an extension agreement to extend the time before a tax sale may take place. These extension agreements may take place at the last moment prior to the one-year deadline required before a tax sale may take place. The final days for executing such agreements may not coincide with a council meeting and therefore the deadline may be missed. If the extension agreement is not entered into within the one-

year time limit, the Municipal Act does not allow a late agreement, and the tax sale process continues.

With the passing of Bill 68, *Modernizing Ontario's Municipal Legislation Act, 2017*, the legislation was amended to no longer require the passing of a by-law to authorize an extension agreement (Section 378(1) of the Municipal Act). Therefore, Council may now delegate their authority to enter into Tax Extension Agreements to the Treasurer

There is currently one Extension Agreement pending approval, which must be executed by March 4, 2020. Staff recommends that Council delegate its authority to enter into Tax Extension Agreements with property owners to the Treasurer/Director of Finance, and that this be approved as a Matters Arising in order to execute the pending Extension Agreement by the required deadline.

**Community Plan and Integrated Community Sustainability Plan (ICSP)
Considerations:**

Financial Implications:

Entering into the extension agreement will assist in the Municipality's ability to collect the outstanding levied taxes. Timely collection of tax arrears is beneficial to the Municipality with increased cash flow through a reduction in taxation receivables.

Attachments: None