REPORT OF THE

STANDING COMMITTEE ON FISCAL ISSUES

DATED NOVEMBER 13, 1998

On motion of Councillor Clement, the Report of the Standing Committee on Fiscal Issues, dated November 13, 1998, was considered clause by clause.

Moved by Councillor Clement,
That the Consent Agenda, Clause 1, be adopted.

Carried.

Fee for Services - Corporate Finance
Department Taxation & Miscellaneous
Revenue Division File GL-5.8.1 (Vol. 1)

85 - 1. The Standing Committee on Fiscal Issues has been advised that on July 7, 1994, the Province of Manitoba provided the City of Winnipeg with the legislation enabling the fixing of fees for the provision of tax information payable by a person, other than the registered owner.

An administrative report on proposed fees for services dated April 25, 1995, was submitted for Council's consideration, which report identified six services where the Tax Office recommended fees be imposed for the provision of high volume services to the legal, financial and real estate communities. The report indicated the cost to the City, the potential revenue to be realized by the fee and the amount charged by other cities in western Canada for the same service.

On July 12, 1995, Council adopted the Fees for Services Policy, which fees came into effect on January 1, 1996, and have since remained unchanged.

Council's direction to the administration includes recommending ways to raise new revenue to offset operating costs and reduce the reliance on the mill rate. The existing Fees for Services Policy is consistent with that direction.

The Taxation and Revenue Division has historically developed services and systems specifically designed to accommodate the needs of the legal, financial and real estate communities. Prior to the adoption of the Fees for Services Policy in 1995, these services were provided free of charge to the user and benefactor of the information. The costs to provide these services were being borne by the City at-large and not the corporations using and benefitting from these services. With the adoption of the Fees for Services Policy effective January 1, 1996, the following services were charged on a user basis:

- Mortgage account lists
- Property tax status verification
- Oral information on taxes/status and tax related programs
- Custom data reports and services
- Tax sale redemption certificates
- Tax office property searches

One service not included in the Fees for Services Policy was the provision of a local improvement levy status report. When the 1995 administrative report on fees was prepared, this service was not provided by the Tax Office. Responsibility for local improvement billing was transferred to the Taxation and Miscellaneous Revenue Division with corporate restructuring under “New Directions”.

The City currently provides, at no charge, letters to the legal community requesting the status of existing or proposed local improvement levies on specified properties. The collection of information necessary to complete these requests is performed primarily by clerical personnel in the department. The current volume of approximately 1,800 requests utilizes .75 of a clerical position, plus necessary computer hardware/software, stationary, postage, etc. It is recommended a fee for these status letters be established at $25.00. Appendix "A" describes this service, the client group, cost to the City, the amounts charged by other western Canadian cities, the proposed fee and anticipated annual revenue projected to be $45,000.00.

Report of the Standing Committee on Fiscal Issues dated November 13, 1998

Regarding the existing fee for oral information on taxes/status and tax related programs, the current charge is $2.00 per account. This service is provided with dedicated staff and telephone lines to the legal, financial and real estate community. Rather than taking advantage of the electronic access already in place via the City's "Electronic Tax Roll", these customers often request the Taxation and Miscellaneous Revenue Division to provide the information orally at the above-noted cost.

To encourage the legal community to take advantage of the existing electronic access, to recover additional costs in providing this service and to be more in-line with costs of similar services in other western Canadian cities, a rate increase of $1.00 per account is proposed. The new fee would be $3.00 per account. Appendix "B" fully describes this service, the client group, cost to the City, the amounts charged by other western Canadian cities, the proposed fee and anticipated increased annual revenue projected to be $45,000.00.

The Standing Committee on Fiscal Issues recommends:

I. That, in accordance with Section 277(4) of The City of Winnipeg Act, Council impose a fee for service rendered in response to requests to provide tax information to parties other than the registered owner of the property.

II. That the Fees for Services Policy adopted by Council on July 12, 1995, be amended to include the following:

a) a $25.00 fee per property for local improvement levy status requests provided primarily to solicitors involved with the sale of property;

b) a $3.00 fee per property for oral tax information provided to solicitors and banks on dedicated phone lines, being a rate increase of $1.00 from the existing $2.00 charge;

and that same come into force and effect on January 1, 1999.

III. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing.

Copy of attachments referred to in the above clause are on file in the office of the City Clerk.

Adopted by consent.