Agenda – Council – April 29, 2015

Report – Executive Policy Committee – April 22, 2015

Item No. 6 Amendment to Tax Certificates Fees By-law No. 4860/88

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On April 22, 2015, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That a new Tax Certificate Fees By-law (draft By-law attached) be enacted to establish a fee of $40.00 for tax certificates issued on-line and $53.00 for paper (manual) tax certificates.

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

Report – Executive Policy Committee – April 22, 2015

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On April 22, 2015, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

ADMINISTRATIVE REPORT

Title: **Amendment to the Tax Certificates Fees By-law No. 4860/88**

Critical Path: **Executive Policy Committee, Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
Tim Austin	Mel Chambers	Mike Ruta	M. Jack COO

RECOMMENDATIONS

1. That Council enact a new Tax Certificate Fees By-law (draft By-law attached) to establish a fee of $40.00 for tax certificates issued on-line and $53.00 for paper (manual) tax certificates.

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

REASON FOR THE REPORT

Subsection 352(1) of *The City of Winnipeg Charter* requires that fees for tax certificates must be set out in a by-law. Only Council can enact by-laws

IMPLICATIONS OF THE RECOMMENDATIONS

Although presented in the form of a new by-law, this is essentially a housekeeping measure which will update the form of the existing By-law to better reflect the dual rate structure for tax certificates which has existed for some time to encourage the transition from paper tax certificate requests to on-line requests.

In terms of substance, other than an annual automatic inflationary increase, the fee of $40 (plus $3 paid to the LDRC) for electronic requests remains unchanged. The increase in the fee for paper (manual) tax certificates from $43.00 to $53.00 was approved by Council in the 2015 Budget.

There is no financial impact to the City of Winnipeg organization as the incremental revenue has been included in the 2015 operating budget.

HISTORY

The Tax Certificate Fees By-law 4860/88 was originally passed by Council on March 23, 1988.

A tax certificate is a statement of outstanding property and/or business taxes at a specific date in time and is binding on the City of Winnipeg. However, please note that the tax certificate does not prevent the City from imposing (a) supplementary taxes after the date of the certificate; (b) additional taxes resulting from an application of revision, or resulting appeal, commenced before the date of the certificate; or (c) other fees, levies, changes or amounts that, under the City of Winnipeg Charter or another Act, may be added to taxes.

A tax certificate request can be completed via mail or in person, in which case the tax certificate is provided by mail. This is considered to be a manual tax certificate for which the higher fee of $53.00 must be paid. Alternatively, a tax certificate can be requested on-line via Legal Data Resource Corporation (LDRC). When requested through LDRC, it is sent electronically as a pdf. An electronic tax certificate has the same validity as a paper version but involves less work on the part of the Public Service.

The majority of users requesting tax certificates are lawyers who have access to the on-line service via LDRC. In addition to the fee of $40 to the City, these applicants also pay a fee of $3 to LDRC for a total of $43.00.

With the new fee structure in place, the costs of obtaining tax certificates will be:

a) Fifty-three dollars ($53.00) for paper (manual) requests, resulting in the making and mailing of a paper Tax Certificate;
b) Forty dollars ($40.00) for electronic requests, plus $3.00 paid to LDRC, resulting in a pdf tax certificate sent electronically.

This increase in the cost differential between a paper tax certificate and an electronic tax certificate will provide a greater incentive for the requestor to migrate to the on-line system, which will increase the efficiency for both the requestor and the City of Winnipeg in the tax certificate process. It is expected that with the increase in the manual tax certificate fee there will a corresponding increase to the volume of the on-line requests.

As per the 2015 Budget, the proposed rate change will be effective July 1, 2015 which will allow the Assessment and Taxation Department to communicate the rate increase to individuals and companies that would normally make these types of requests. It is anticipated that the 25% of the manual requests will migrate to the on-line requests in the first six months after the rate change.

FINANCIAL IMPACT

Financial Impact Statement **Date:** April 7, 2015

Project Name:

Amendment to the Tax Certificates Fees

COMMENTS:

There is no financial impact to the City of Winnipeg as this is a houeskeeping to enact a new Tax Certificate Fees By-law to establish a fee of $40.00 for tax certificates issued on-line and $53.00 for paper (manual) tax certificates. The incremental revenue has been included in the 2015 adopted operating budget.

Original Signed By:
Ramona Hodges
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

In preparing this report there was consultation with:

Internal: Legal Services Department as to legal issues

External

SUBMITTED BY

Department: Assessment and Taxation
Division: Taxation and Finance
Prepared by: Tim Austin, Manager of Taxation and Finance Services
Date: March 25, 2015
File No. N/A


2015 by-law (2).doc