

## **COMMITTEE OF THE WHOLE - OCTOBER 21, 2002**

### **REENA FOUNDATION PRIVATE LEGISLATION FOR EXEMPTION FROM PROPERTY TAXATION - REQUEST FOR COUNCIL RESOLUTION**

#### **Recommendation**

The Director of Finance, in consultation with the Manager of Property Tax & Assessment recommends:

That this report be received for information;

That the confidential memo be received; and

That should Council wish to support the request, the attached Resolution may assist the Reena Foundation in their efforts for a Private Members Bill.

#### **Purpose**

To provide Council with the background regarding Reena's request for City support for exemption from Property taxes through the passage of a Private Members Bill.

#### **Background - Analysis and Options**

Councillor Kadis has received a request from the Reena Foundation asking that the City of Vaughan Council pass a resolution in support of a Private Members Bill to the Provincial Legislature for exemption from property taxation.

Reena owns 5 properties in the City of Vaughan; however, the property in question is the Toby and Henry Battle Developmental Centre located at 927 Clark Avenue West, Thornhill.

The land this facility occupies is not owned by Reena, but is leased. The facility was constructed in 1997. The Municipal Property Assessment Corporation (MPAC) had placed the land on the roll as exempt in error, and had not assessed the building until 2001. As a result Reena had not been billed any property taxes up to 2001. In 2001 MPAC assessed the building and the land for a total value of \$4,427,000 and placed it in the residential class, because Reena is a non-profit charitable organization. MPAC has issued supplementary and omitted assessment and property tax bills were issued for 1999, 2000 and 2001.

#### **Regional Policy**

Currently policy relating to property tax rebates for Registered Charities and Similar organizations rests with the Region of York and are provided to registered charities that lease property in the commercial or industrial tax class. This property (Reena) is assessed in the residential class. There is no provision for registered charities that occupy property in any other class.

#### **Impact**

If an exemption were granted the property tax revenue loss per year on this property will be approximately \$11,900 for the City, \$24,300 for the Region of York and \$16,300 for the School Boards.

## Summary

Reena has initiated or will initiate the following number of actions to seek exemption and/or reduction in assessment:

- A. Apply to the Provincial Legislature through a Private Members bill for exemption.
- B. Reena has contacted MPAC to discuss exemption under the Assessment Act. MPAC's position is that Reena does not meet the requirements for exemption under the Assessment Act (AA), primarily because the AA refers to land that is owned and occupied. As stated earlier, Reena only leases the land. Reena has until December 31<sup>st</sup>, 2002 to file an appeal with the Superior Court on the question of exemption. It is staff's understanding that Reena will file the appeal if they are not successful at the Provincial Legislature.
- C. Reena has also filed appeals with the Assessment Review Board (ARB) to have the assessment value reduced on the property. However Reena has also requested the ARB to adjourn these hearings until next year (2003). If the appeals are successful at the Provincial level for full exemption, the value of the property is no longer an issue, in terms of taxation.

## Conclusion

Should Council wish to proceed, attached is the suggested wording for the resolution.

## Attachments

Resolution

## Report prepared by:

Grace L. Marsh, ext. 8268  
Manager of Property Tax and Assessment

Respectfully submitted,

Barry E. Jackson  
Director of Finance

## **RESOLUTION**

Whereas the Reena Foundation has requested the City of Vaughan to support their attempt to become exempt from property taxes for their facility known as the Toby and Henry Battle Developmental Centre; and

Whereas the Reena Foundation is a registered charity; and

Whereas the City of Vaughan supports the work and contribution provided by the Reena Foundation to the community; and

Whereas Reena is seeking support from the City of Vaughan to provide assistance in having a Private Members Bill tabled;

Now Therefore be it Resolved that Council of the City of Vaughan support the efforts of the Reena Foundation for property tax exemption.