

SPECIAL AREA LEVY

Recommendation

The Commissioner of Finance & Corporate Services in consultation with the Director of Finance, Director of Legal Services and the Fire Chief recommends:

That the following report be received for information purposes.

Purpose

To report further on the City's Fire Area Levy which has now been discontinued.

Background - Analysis and Options

During prior budget deliberations the Fire area levy was discontinued as a result of new special area levy legislation in the New Municipal Act, RSO 2001. The Fire area levy was only charged to properties in the commercial and industrial property tax class. Council at that time requested staff to look at further regarding the Fire area levy.

Under the New Municipal Act, RSO 2001, levying a special area charge such as the Fire Area Levy is permitted under sections 326. However this section of the new Act contains very specific wording and is comprehensive in its definition. The requirements for a special local municipality levy are:

The Act under 326 (1) a-e provides that a municipality may by by-law:

- a) identify a special service as prescribed
- b) determine the cost of the special service
- c) designate an area in municipality where property owners receive an additional benefit
- d) determine the portion of costs in (b) to be applied
- e) determine the amount to be levied

In addition the Act under 326(2) sets out a definition for "special service". Briefly the definition is:

"a service or activity of a municipality that is not being provided generally throughout the municipality or being provided at different levels."

Staff have continued to explore and discuss the application of the special Fire area levy with legal and the Fire department staff. However the issues identified below specifically #1 distinguishing by property tax class rather than area, item #2, "fair and equitable application" makes this levying approach impractical.

As a result the areas of legislative concern with the special area levy continue to be:

- 1) That the former levy was based on the property class; and
- 2) A fair and equitable application of the area rate to different property tax classes in a defined area.

Relationship to Vaughan Vision 2007

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

Conclusion

After reviewing further the issue of a special fire area levy and the appropriate legislation applicable to special area levies, there are continuing issues under the new municipal act with the City's Fire Area Levy, which has been discontinued.

Attachments

None

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Respectfully submitted,

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