

# MFOA

MUNICIPAL FINANCE  
OFFICERS' ASSOCIATION  
OF ONTARIO

April 3, 2006

Hon. Dwight Duncan  
Minister  
Ministry of Finance  
Frost Bldg S, 7th Flr  
7 Queen's Park Cres  
Toronto, ON M7A 1Y7

Dear Minister Duncan:

I am writing to request that you extend the current deadline for municipalities to set tax ratios for the 2006 tax year. There are several reasons for this request.

First, many of our members are still conducting tax policy analysis, developing strategies to mitigate inter-class shifting to determine if they wish to apply to your Ministry to have "revenue neutral" ratios established this year. In addition, municipalities are still working to finalize assessment data in some cases. These municipalities could benefit from the additional time which they have had in prior years to conduct this work.

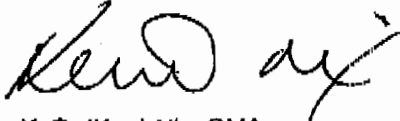
Secondly, subsections 308(4) and 308(5) currently set April 30<sup>th</sup> as the deadline to establish tax ratios. However, we have recently become aware that the *Municipal Act* published by Canada Law Books under the title *Ontario Municipal Legislation, 2005*, incorrectly states the deadline as June 30<sup>th</sup>. This was the deadline for the 2005 tax year as a result of O. Reg. 79/05, but the regulation only applied to 2005. Many of our members rely on the publication noted above and think that the deadline for 2006 is June 30<sup>th</sup>.

While we will do our best to alert municipalities to this problem, we are also aware that their ability to pass tax ratio by-laws by the end of April may be affected by the Easter holidays in April. We are told that many municipalities will have fewer meeting dates in April as a result of the holiday.

Finally, the deadline to set tax ratios is the same as the deadline to make a number of other important tax policy decisions under sections 329.1 and 311 of the *Municipal Act*. While we have no evidence that the confusion over tax ratios extends to these other decisions as well, we believe that there is a case for extending all of these deadlines to June 30. At the very least, we recommend an extension to June 30<sup>th</sup> for the 2006 tax year for all municipalities for setting tax ratios. Such an extension has been granted in the past for the 2004 and 2005 tax years. A similar extension for 2006 will, we believe, eliminate any difficulties that may arise from the circulation of inaccurate information and will permit the full range of analysis to be undertaken with time allowances to report to Council and its Committees.

I look forward to your response.

Yours truly,



K. R. (Ken) Nix, CMA  
Chair MFOA

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