



## **SUMMARY OF INVESTIGATION**

### **VILLAGE OF MARGO**

According to the Government of Saskatchewan's Municipal Directory, the Village of Margo has a population of 83 people and has a mayor and two council members.

### **COMPLAINT**

We received a complaint about the Village of Margo's 2017 and 2018 tax assessments and tax notices either being sent late or not at all. We investigated whether the Village was providing tax assessment notices and tax notices in accordance with its duties and obligations under *The Municipalities Act*.

### **OBLIGATIONS TO PROVIDE TAX ASSESSMENTS AND TAX NOTICES UNDER THE MUNICIPALITIES ACT**

#### **Assessment Notices**

Municipalities must prepare an annual assessment roll for each assessed property no later than May 1st. Municipalities must then send out assessment notices within 15 days of the assessment roll being completed. Municipalities are also required within 15 days after the assessment roll is completed to publish in *The Saskatchewan Gazette* and in one issue of a newspaper (or in another appropriate manner), a notice stating that assessment notices have been sent, whether or not a bylaw dispensing with assessment notices has been passed, and the last date on which assessment appeals must be filed.

The assessment notice must include the date by which an appeal may be filed, which normally is not less than 30 days. In a revaluation year, it cannot be less than 60 days.

If the assessed value of a property has not changed from the previous year's assessed value, or the change in assessed value does not exceed the lesser of \$1000 and 1% of the previous assessed value, council can pass a bylaw dispensing with the assessment notices. The bylaw is effective for all subsequent years, other than a revaluation year.

#### **Tax Notices**

The annual tax roll is to be completed by August 15th and tax notices are to be sent no later than September 1st.

## **FACTS**

2017 was a revaluation year. According to its annual report, the Saskatchewan Assessment Management Agency, which is the property assessment service provider for most municipalities, delivered the 2017 revaluation assessments to municipalities in February 2017.

Assessment notices were to be sent out no later than May 1<sup>st</sup>.

The administrator said she sent out the 2017 assessment notices in October 2017, but that there was an issue with the postal service and that most of them were “just lost.” She said she sent out the assessment notices again by mail in December 2017, along with the tax notices.

The complainant did not receive her 2017 assessment notice until December 5, 2017. It stated that the final day to appeal was that same day - December 5, 2017. Because it was a revaluation year, the appeal period had to be no less than 60 days. The assessment notice also contained calculation errors. The complainant also received her 2017 tax notice in December. The tax notice indicated her taxes had gone up substantially. It also contained many calculation errors, and that taxes were ‘due and payable in full by December 31, 2016’.

The administrator told us a notice was published in the local paper stating the date of the 2017 assessment notice and the correct date by which assessment appeals needed to be filed. However, we found no evidence of any notice regarding the assessment notices was published in the local paper. Nor did we find any evidence it was posted in *The Saskatchewan Gazette* throughout 2017.

The Village council sent two undated communications to property owners, one apologizing for the delay in the 2017 tax notices being processed and delivered, and the other apologizing for the errors in the tax notices.

In 2018, the complainant did not receive an assessment notice nor a tax notice. Nevertheless, she paid her 2018 property taxes in advance by paying the amount she had paid for taxes in 2017. However, she noticed that the tax receipt incorrectly charged her arrears in taxes from 2017, plus interest.

The Village did not provide us with any information confirming that it issued assessment notices for 2018, or that a notice was published in the local paper or in *The Saskatchewan Gazette*. However, apparently some taxpayers did receive a 2018 tax notice in March 2019.

We were informed that the assessed values of the property in the Village did not change from 2017 to 2018. However, the Village did not pass a bylaw dispensing with the issuance of 2018 assessment notices.

## **FINDINGS**

*The Municipalities Act* has specific rules that are to be followed when it comes to assessments and taxes. Taxation is an important revenue stream for municipalities. It is important that processes are followed and that municipalities are able to collect taxes in a timely manner, as this supports their operations, programs and projects.

The Village of Margo contravened *The Municipalities Act* by failing to provide the 2017 and 2018 assessment notices and tax notices to property owners within the time limits in the Act, or at all. As well, in the complainant's case, there were errors in calculating the taxes, and as a result, she was charged arrears and interest when she should not have been.

We recommended that:

1. The Village of Margo obtain the services of a qualified municipal tax professional to take immediate action to review and correct all the Village's records relating to the 2017 and 2018 property assessments, tax notices and tax receipts.
2. To the extent it is able to under *The Municipalities Act*, the council of Village of Margo take steps to cancel, reduce or refund any tax arrears or taxes charged or imposed on any property for 2017 and 2018, that can be reasonably determined to be the result of the Village failing to produce and provide timely and accurate property assessment notices and tax notices, including because the Village applied an incorrect mill rate or percentage of value in calculated the tax owed on any property.
3. The Village of Margo ensure it provides each ratepayer with accurate and complete property assessments and tax notices for 2017 and 2018 along with an up-to-date accurate tax account statement plus a written explanation as to how the errors in the assessments and tax notices occurred, the steps it has take to remedy these issues, any cancellation, reductions or refunds that will be applied, and what steps the Village will take to ensure the errors do not occur again.

## **RESPONSE TO DRAFT INVESTIGATION REPORT**

Under *The Ombudsman Act, 2012*, if there are sufficient grounds for making a report that may adversely affect any entity or person, we give them an opportunity to review our investigation's findings and conclusions. On April 30, 2019, we provided the draft investigation report to the administrator, the mayor and both council members, giving each of them the opportunity to review it and provide us with representations before we finalized the report. We specifically asked the Village council to advise us in writing whether it accepted or rejected our recommendations.

On June 4, 2019, one council member told us that she did not receive the draft report. The next day, we provided this council member an electronic copy, and we have proof that she forwarded it to all the other members of council.

We followed up several times with council, asking for a copy of the council's decision on whether it accepted or rejected our recommendations. We received no response. Given the council has not responded to our repeated attempts to contact them, and the council has not provided any response to our findings or recommendations, we consider that the Village of Margo has rejected our recommendations.

We strongly urge the council of the Village of Margo to consider the best interests of its taxpayers and implement our recommendations.

This investigation is now closed.