

**Resolution 2023-06:** Reinstatement of Legislation Permitting Municipalities to Retain Surplus Proceeds from Sales Tax

Submitted by: The Township of Dawson and The Township of Lake of the Woods

**BACKGROUND:**

Prior to being repealed by the Modernizing Ontario's Municipal Legislation Act, 2017, Section 380(6) of the Municipal Act, 2001 allowed for a municipality to retain surplus proceeds from tax sales within their jurisdiction. Municipalities have limited opportunities to obtain revenue outside of municipal taxation. This surplus money can offset costs to improve the municipality such as replacing aging infrastructure. Additional revenue streams are needed to compensate for inflationary costs of materials and labour that municipalities are experiencing. Retaining surplus funds would be tremendously beneficial to municipalities, especially small and rural municipalities with a small and limited tax base.

**Recommendation:**

WHEREAS municipalities require alternative revenue streams to address increasing costs of materials and labour due to inflation.

WHEREAS the Public Tax Sale process is burdensome to a municipality who invest a considerable amount of time and money recovering these proceeds for the potential sole benefit of the Crown in Right of Ontario.

WHEREAS there are other associated costs with the Public Tax Sale process that have impacts on municipalities that are not recovered and municipalities have no other avenue increase their revenue beyond their municipal tax base.

THEREFORE BE IT RESOLVED THAT the Northwestern Ontario Municipal Association requests the government reinstate legislation permitting a municipality to retain surplus proceeds from sales tax.

Committee Recommendation: Approve	Conference Recommendation:
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