

APPENDIX E: THIRD-PARTY SIGN TAX POLICY DESIGN FEATURES

TPST Structure:

- The Third-Party Sign Tax (“TPST”) will be an annual tax on all Third-Party Signs with a sign face area greater than 1.0 square metres that display Third-Party Sign Copy in the City of Toronto
- The TPST will be payable by the Sign Owner of the Third Party Sign
 - AGGREGATE SIGN FACE AREA – the total area, as measured in square metres, of all Sign Faces of a Third Party Sign
 - SIGN - Any device, fixture or medium that displays Sign Copy to attract attention or convey information of any kind and shall include its supporting structure, Sign Face, lighting fixtures and all other component parts
 - SIGN OWNER - Any person who owns a Sign
 - THIRD PARTY SIGN – A Sign which advertises, promotes, or directs attention to businesses, goods, services, matters or activities that are not available at or related to the premises where the Sign is located
 - SIGN COPY - Any colour graphic, logo, symbol, word, numeral, text, image, message, picture or combination thereof displayed on a sign face.
 - SIGN FACE - The opaque, transparent, or translucent surface of a Sign upon, against, or through which the Sign Copy is displayed including any frame or border, and shall also include the portion of any surface upon which a Sign is projected or painted
- SIGN COPY TYPES - The following categories of Sign Copy:
 - MECHANICAL COPY - Sign Copy which physically moves in whole or in part and shall include tri-vision Sign Copy.
 - ELECTRONIC MOVING COPY – Sign Copy displayed utilizing electronic screens, televisions, computer video monitors, liquid crystal displays, light emitting diode displays, or any other similar electronic technology where the Sign Copy displays moving images
 - ELECTRONIC STATIC COPY - Sign Copy displayed utilizing electronic screens, televisions, computer video monitors, liquid crystal displays, light emitting diode displays, or any other similar electronic technology where the Sign Copy is fixed for a set period of time
 - STATIC COPY – Sign Copy that is fixed and does not move in any manner.

- Third Party Signs will be categorized into one of the following five Sign Classes, depending on the Sign Copy Type and Aggregate Sign Face Area:

Table 1 - TPST Sign Classes

Sign Class	Description of Signs in Class
Class I	<ul style="list-style-type: none"> • Ground signs only displaying static copy with an aggregate sign face area of less than or equal to 15 square metres, and • Wall signs only displaying static copy with an aggregate sign face area of less than or equal to 25 square metres
Class II	<ul style="list-style-type: none"> • Ground signs only displaying static copy with an aggregate sign face area greater than 15 square metres and less than 45 square metres, • Wall signs only displaying static copy with an aggregate sign face area greater than 25 square metres but less than 45 square metres, and • Wall signs displaying mechanical copy, in whole or in part, with an aggregate sign face area of less than or equal to 25 square metres
Class III	<ul style="list-style-type: none"> • Ground signs displaying mechanical copy, in whole or in part, with an aggregate sign face area of less than or equal to 25 square metres, and • Roof signs displaying static or mechanical copy, in whole or in part, with an aggregate sign copy area less than or equal to 45 square metres
Class IV	<ul style="list-style-type: none"> • Ground signs only displaying static copy with an aggregate sign face area greater than 45 square metres, • Ground signs displaying mechanical copy, in whole or in part, with an aggregate sign face area greater than 25 square metres • Wall signs only displaying static copy with an aggregate sign face area greater than 45 square metres, • Wall signs displaying mechanical copy, in whole or in part, with an aggregate sign face area greater than 25 square metres and, • Roof signs displaying static or mechanical copy, in whole or in part with an aggregate sign copy area greater than 45 square metres
Class V	<ul style="list-style-type: none"> • All signs displaying or containing electronic static copy or electronic moving copy

- The TPST rates will be as follows:

Table 2 - Proposed Tax Rates per Sign

	Class I Signs	Class II Signs	Class III Signs	Class IV Signs	Class V Signs
Pro-rated per Sign - 2010	\$575	\$1,425	\$2,475	\$5,500	\$12,000
Rate per Sign – 2011	\$1,150	\$2,850	\$4,950	\$11,000	\$24,000

- TPST rates will be effective July 1, 2010 and will be prorated so as to only apply for half the 2010 tax year.
- After the 2011 tax year, the TPST will be indexed annually in accordance with the City overall property tax rate increase from the prior year as determined by the following formula:

SUM for each property class

[Prior Year Rateable Assessment x Prior Year Ending Municipal Tax Rate (excluding Charity rebates)]

÷

SUM for each property class

[Prior Year Rateable Assessment x Prior Year Tax Rate for Base General Local Municipal Levy Before Graduated Tax Rate]

- 1

= Overall Property Tax Increase for Prior year

TPST Administration and Collection:

- The TPST will be collected directly by The Chief Building Official by issuing annual TPST tax assessments, which will be sent to the Sign Owner, or to the Taxpayer's authorized agent;
- The appointment of an authorized agent for TPST purposes must be made on a City of Toronto form and submitted to Toronto Building by January 31st of each year, March 31st for the 2010 tax year;
- The Taxpayer will be required to submit an inventory of all Third Party Signs that the Sign Owner is or will be operating that Calendar year to the Chief Building Official by January 31st of each year, March 31st for the 2010 tax year;
- The information required to be submitted as part of the inventory will be:
 - the address, where each Third Party Sign being operated by the Sign Owner is located;
 - the size of each Third Party Sign Face in square metres;
 - the Sign Type of each Third Party Sign Face; and,
 - such other information as determined by the Chief Building Official as being required for the enforcement or proper administration of the TPST.
- Toronto Building will send TPST assessments to each Sign Owner by March 31st of each year, based on the inventory submitted by the Sign Owner, July 1st for the 2010 tax year;
- Payment of the TPST in accordance with the TPST assessment will be due by July 1st of each year, September 1st for the 2010 tax year;
- The amount of TPST assessed will be prorated on a daily basis for Third Party Signs where a permit to erect or display a Third-Party Sign is issued in-year, or, where a permit to erect or display a Third-Party Sign is revoked in-year, and in-year refund of TPST due to in-year revocation of a permit for a Third-Party Sign will be issued by the Chief Building Official.

Refunds and Exemptions:

- Third Party Signs with an Aggregate Sign Face Area less than 1.0 square metres will be exempt from the TPST
- Third Party Signs where the Sign Owner has an existing agreement with the City of Toronto for revenue sharing will not be subject to the TPST for the duration of the agreement; however, once the agreement expires the TPST will apply in full from the expiration date of the agreement;
- No tax is payable with respect to a Sign Owner who is one of the following persons or entities:
 - The Crown or a Crown agency within the meaning of the *Crown Agency Act*, R.S.O. 1990, c. C.48;
 - An authority, board, commission, corporation, office or organization of person a majority of whose directors, members or officers are appointed or chosen by or under the authority of the Lieutenant Governor in Council of Ontario or a member of the Executive Council of Ontario;
 - A board as defined in subsection 1(1) of the *Education Act*, R.S.O. 1990, c. E.2;
 - A university in Ontario or a college of applied arts and technology and postsecondary institution in Ontario whether or not affiliated with a university, the enrolments of which are counted for purposes of calculating annual operating grants entitlements from the Crown;
 - A hospital referred to in the list of hospitals and their grades and classifications maintained by the Minister of Health under the *Public Hospitals Act*, R.S.O.1990, c. P.40, every private hospital operated under the authority of a licence issued under the *Public Hospitals Act*, R.S.O. 1990, c. P.40, and every hospital established or approved by the Lieutenant Governor in Council as a community psychiatric hospital under the *Community Psychiatric Hospitals Act*, R.S.O. 1990, c. C.21;
 - A nursing home as defined in subsection 1(1) of the Nursing Homes Act, R.S.O. 1990, c. N.7, every approved charitable home for the aged as defined in section 1 of the Charitable Institutions Act, R.S.O. 1990, c. C.9, every home as defined in section 1 of the Homes for the Aged and Rest Homes Act, R.S.O. 1990, c. H.13, and a long-term care home as defined in subsection 2(1) of the Long-Term Care Homes Act, 2007, S.O. 2007, c.8, ss. 198(4), 232(2);
 - The Toronto Community Housing Corporation;
 - The Toronto Economic Development Corporation;
 - The City of Toronto;
 - A local board as defined in the *City of Toronto Act, 2006*, S.O. 2006, c. 11, Sched. A;
 - Such other persons and entities as may be prescribed by the Lieutenant Governor in Council pursuant to subsection 272(b) of the *City of Toronto Act, 2006*, S.O. 2006, c. 11, Sched. A; and
 - Such other persons and entities as may be exempted by by-law of the City.
- TPST refunds will be administered by Toronto Building and issued where the Chief Building Official has determined in his or her discretion that the TPST has been collected in error;

Enforcement:

- The TPST will include an anti-avoidance provision to address certain situations where a Sign Owner may seek to avoid payment of the TPST;
- For any purpose relating to the administration and enforcement of the TPST by-law, the City of Toronto may audit or demand information from any person;
- If the TPST payment has not been received, is in the opinion of the Chief Building Official based on erroneously reported information, or if a Sign Owner has failed to report the required information, the City will further assess (the “Additional Assessment”) the TPST payable, together with applicable interest and penalties, and notify the Sign Owner in writing;
- If payment has not been received within 30 days of the date of the issuance of an Additional Assessment, the Chief Building Official will be delegated the authority to determine the appropriate collection mechanism, which may include:
 - Bringing an action in the courts to recover any unpaid TPST;
 - Referral to a bailiff or a collection agency for collection of the TPST
- The Chief Building Official may assess the following penalties in respect of the TPST:
 - A failure to pay TPST where such a failure is attributable to fraud or wilful default – minimum penalty of \$120 and a maximum penalty of double the amount of TPST payable;
 - A penalty for failure to comply with an audit – a maximum penalty of \$1000;
 - A failure to accurately report – minimum penalty of \$120 and a maximum penalty of double the amount of TPST payable.

Offences and Fines:

- The following will be continuing offences under the TPST by-law, punishable upon conviction by the following fines for each day on which the offence continues:
 - Making false statements – minimum daily fine of \$500, to a maximum fine of \$5000;
 - Interference with an Audit – maximum fine of \$5000;
 - Contravention of the TPST by-law – maximum fine of \$5000;
 - Failure to pay TPST – maximum fine of \$5000.00.

Interest:

- Interest at a rate of 15% per annum, calculated at 1.25% monthly will apply on the amount of any unpaid TPST and any applicable penalties.

Dispute Resolution:

- The Government Management Committee of Council will act as the City’s appeal and dispute resolution body for the TPST and will be delegated the power to hold hearings of such appeals, and will make recommendations to Council for final decision on appeals. In doing so, the Government Management Committee will be bound by the procedures set out in the current procedural by-law of the City.