



City of
Peterborough

To: Members of the Finance Committee

From: Richard Freymond
Commissioner of Corporate and Legislative Services

Meeting Date: June 10, 2019

Subject: Report CLSFS19-027
Tax Adjustments under Section 356 and Tax Appeals under
Sections 357, 358 and 359 of the Municipal Act, 2001

Purpose

A report to advise Council of the tax adjustments in accordance with Sections 356 and Tax Appeals under Sections 357, 358 and 359 of the **Municipal Act, 2001**.

Recommendations

That Council approve the recommendations outlined in report CLSFS19-027 dated June 10, 2019, of the Commissioner of Corporate and Legislative Services as follows:

- a) That tax reductions in the amount of \$143,318.25 calculated in accordance with Sections 357, 358 and 359 of the **Municipal Act, 2001** and attached to report CLSFS19-027 as Appendix A be received.
- b) That land apportionments under Section 356 of the **Municipal Act, 2001** be received.

Budget and Financial Implications

With respect to the Section 357, 358 and 359 Tax appeals, the total net amount written off was \$143,318.25. This amount was comprised of \$23,033.49 which was charged back to the local school boards, and the \$120,284.76 municipal portion that was charged to the \$1,050,000 tax write-off provision provided for in the 2018 Operating Budget. In addition, a credit of \$2.70 was charged back to the capping adjustment account.

There are no budget implications with the Section 356 land apportionments.

Background

Based upon report CPFPRS09-042 dated December 7, 2009, Council's authority pursuant to Sections 356 to 359 of the **Municipal Act, 2001** (the Act) was delegated to the City Treasurer as authorized under Section 23.2 of the Act. Council further resolved that an annual report be presented to the Finance Committee for information purposes, at the same time the annual audited financial statements are presented.

Section 356 of the Act provides for the division of lands into parcels which can be legally conveyed under the **Planning Act**. Subsequently the property taxes are divided based on the revised assessment information received from MPAC. There is no assessment or taxation gain or loss throughout this process.

Section 357 of the Act provides a mechanism whereby taxpayers can apply for tax adjustments where certain circumstances have occurred after the return of the assessment roll. The more common criteria include building demolitions and fire, property tax class changes, taxable properties becoming exempt, and where clerical errors have been made when compiling the assessment roll.

Section 358 of the Act provides for the cancellation, reduction or refund of all or part of the taxes levied on a property in one or both of the two years preceding the application year for any overcharge caused by a gross or manifest error in the preparation of the assessment roll that is clerical or factual in nature.

Section 359 of the Act provides for the increase of taxes levied on land where there has been an undercharge caused by a gross or manifest error that is clerical and factual in nature, including the transposition of figures, typographical or similar type errors, but not an error in judgment in assessing the land.

Applicants initiate the appeal process by filling out and submitting an application form to the Tax Office providing full details. Municipal Property Assessment Corporation staff are then asked to confirm the information and provide revised assessment figures. The Tax Office staff subsequently issue notices to applicants that show the original and revised tax levies, and the resulting tax reduction including capping. **There were four hearings held in 2018. Applicants had an opportunity to question any of the adjustments at their specific hearings held at City Hall on February 5, July 16, October 4 and December 13, 2018.**

The listings attached to this report CLSFS19-027 as Appendix A identify the affected tax appeal accounts and the value of the individual adjustments by year for each hearing date. Chart 1 summarizes the total dollar impact of the adjustments.

Chart 1
Summary of Tax Adjustments by Year

Year	Taxes	Capping Adjustment	BIA Adjustment	Total
2016	\$2,176.31	\$2.70	\$0.00	\$2,179.01
2017	\$67,857.10	\$0.00	\$0.00	\$67,857.10
2018	\$73,284.84	\$0.00	\$0.00	\$73,284.84
Total	\$143,318.25	\$2.70	\$0.00	\$143,320.95

In addition to the tax adjustments summarized in Chart 1, there were 29 tax adjustments completed under authority of Section 356 of the Act which apportions taxes among various accounts for Plans of Subdivision and Registered Plans. The existing assessment and taxes from the original parcels were divided among the parcels in the new plan resulting in no change to the overall assessment or taxes.

Submitted by,

Richard Freymond
Commissioner of Corporate and Legislative Services

Contact Person:

Kim McPhail
Assessment Review and Taxation Officer
Phone: 705-742-7777 Ext 1792
Toll Free: 1-855-738-3755 Ext 1792
Fax: 705-876-4607
E-mail: kmcphail@peterborough.ca

Attachments:

Appendix A - Tax Appeals under Sections 357, 358 and 359 of the **Municipal Act, 2001**

Appendix A – 1

City of Peterborough

Tax Appeals under Sections 357, 358 of the Municipal Act, 2001

Appeal Hearing: February 5, 2018

For taxes levied 2017

Seq	Assmt Type	Reason	Tax on Assmt	Capping	Heritage Tax Credit	Senior Tax Credit	BIA	Total
1	CXN	Became exempt	(828.36)					(828.36)
2	CT/RT	Change in tax class	(994.10)					(994.10)
3	CT/RT	Change in tax class	(578.97)					(578.97)
4	CT/RT	Change in tax class	(48.71)					(48.71)
5	CT/RT	Change in tax class	(43.42)					(43.42)
6	RT	Bldg damaged by fire	(561.90)					(561.90)
TOTALS			(3055.46)	0.00	0.00	0.00	0.00	(3055.46)

Municipal and Education Split		
Municipal	2,096.26	68.60%
Education	959.20	31.40%
	3,055.46	100.00%
Commercial/Industrial and Residential Split		
Commercial/Industrial Portion	2,015.66	66.00%
Residential Portion	1,039.80	34.00%
	3,055.46	100.00%

Appendix A – 2

City of Peterborough

Tax Appeals under Sections 357, 358 of the Municipal Act, 2001

Appeal Hearing: July 16, 2018

For taxes levied 2017

Seq	Assmt Type	Reason	Tax on Assmt	Capping Adj	Heritage Tax Credit	Senior Tax Credit	BIA	Total
1	CT	Damaged	(8,833.72)					(8,833.72)
2	NT	Exempt	(53,910.38)					(53,910.38)
		TOTALS	(62,744.10)	0.00	0.00	0.00	0.00	(62,744.10)

Municipal and Education Split			
Municipal		52,385.92	83.50%
Education		10,358.18	16.50%
		62,744.10	100.00%
Commercial/Industrial and Residential Split			
Commercial/Industrial Portion		8,833.72	14.10%
Residential Portion		53,910.38	85.90%
		62,744.10	100.00%

Appendix A – 3

City of Peterborough

Tax Appeals under Sections 357, 358 of the Municipal Act, 2001

Appeal Hearing: July 16, 2018

For taxes levied 2018

Seq	Assmt Type	Reason	Tax on Assmt	Capping Adj	Heritage Tax Credit	Senior Tax Credit	BIA	Total
1	CT	Class Change	(183.33)					(183.33)
2	RT	Demolition	(3,502.81)					(3,502.81)
3	RT	Class Change	(1,933.25)					(1,933.25)
4	RT	Class Change	(1,404.28)					(1,404.28)
5	RT	Became exempt	(9,761.67)					(9,761.67)
6	RT	Became exempt	(2,033.33)					(2,033.33)
7	RT	Became exempt	(1,136.43)					(1,136.43)
8	RT	Became exempt	(1,129.79)					(1,129.79)
TOTALS			(21,084.89)	0.00	0.00	0.00	0.00	(21,084.89)

Municipal and Education Split		
Municipal	16,759.34	79.50%
Education	4,325.55	20.50%
	21,084.89	100.00%
Commercial/Industrial and Residential Split		
Commercial/Industrial Portion	6,254.91	29.70%
Residential Portion	14,829.98	70.30%
	21,084.89	100.00%

Appendix A - 4

City of Peterborough

Tax Appeals under Sections 357, 358 of the Municipal Act, 2001

Appeal Hearing: October 4, 2018

For taxes levied 2016

Seq	Assmt Type	Reason	Tax on Assmt	Capping	Heritage Tax Credit	Senior Tax Credit	BIA	Total
1	RT	Gross or Manifest Error	(403.90)					(403.90)
2	IJ	Gross or Manifest Error	(1,164.57)					(1,164.57)
TOTALS			(1,568.47)	0.00	0.00	0.00	0.00	(1,568.47)

Municipal and Education Split		
Municipal	1,073.11	68.40%
Education	495.36	31.60%
	1,568.47	100.00%
Commercial/Industrial and Residential Split		
Commercial/Industrial Portion	1,164.57	74.20%
Residential Portion	403.90	25.80%
	1,568.47	100.00%

Appendix A - 5

City of Peterborough

Tax Appeals under Sections 357, 358 of the Municipal Act, 2001

Appeal Hearing: October 4, 2018

For taxes levied 2017

Seq	Assmt Type	Reason	Tax on Assmt	Capping	Heritage Tax Credit	Senior Tax Credit	BIA	Total
1	IJ	Gross or Manifest Error	(1,123.38)					(1,123.38)
2	RT	Gross or Manifest Error	(423.46)					(423.46)
TOTALS			(1,546.84)	0.00	0.00	0.00	0.00	(1,546.84)

Municipal and Education Split		
Municipal	1,062.61	68.70%
Education	484.23	31.30%
	1546.84	100.00%
Commercial/Industrial and Residential Split		
Commercial/Industrial Portion	1,123.38	74.60%
Residential Portion	423.46	27.40%
	1,546.84	100.00%

Appendix A - 6

City of Peterborough

Tax Appeals under Sections 357, 358 of the Municipal Act, 2001

Appeal Hearing: October 4, 2018

For taxes levied 2018

Seq	Assmt Type	Reason	Tax on Assmt	Capping	Heritage Tax Credit	Senior Tax Credit	BIA	Total
1	RT	Gross or Manifest Error	(442.35)					(442.35)
2	RT	Building Demolition	(579.07)					(579.07)
3	RT	Property Became Exempt	(3,952.46)					(3,952.46)
TOTALS			(4973.88)	0.00	0.00	0.00	0.00	(4973.88)

Municipal and Education Split		
Municipal	4,381.28	88.10%
Education	592.60	11.90%
	4973.88	100.00%
Commercial/Industrial and Residential Split		
Commercial/Industrial Portion	0.00	0.00%
Residential Portion	4,973.88	100.00%
	4,973.88	100.00%

Appendix A – 7

City of Peterborough

Tax Appeals under Sections 357, 358 of the Municipal Act, 2001

Appeal Hearing: December 13, 2018

For taxes levied 2016

Seq	Assmt Type	Reason	Tax on Assmt	Capping	Heritage Tax Credit	Senior Tax Credit	BIA	Total
1	CT	Gross or Manifest Error	(607.84)	(2.70)				(610.54)
		TOTALS	(607.84)	(2.70)	0.00	0.00	0.00	(610.54)

Municipal and Education Split		
Municipal	359.31	59.10%
Education	248.53	40.90%
	607.84	100.00%
Commercial/Industrial and Residential Split		
Commercial/Industrial Portion	607.84	100.00%
Residential Portion		0.00%
	607.84	100.00%

Appendix A – 8

City of Peterborough

Tax Appeals under Sections 357, 358 of the Municipal Act, 2001

Appeal Hearing: December 13, 2018

For taxes levied 2017

Seq	Assmt Type	Reason	Tax on Assmt	Capping	Heritage Tax Credit	Senior Tax Credit	BIA	Total
1	CX	Property Became Exempt	(510.70)					(510.70)
TOTALS			(510.70)	0.00	0.00	0.00	0.00	(510.70)

Municipal and Education Split		
Municipal	301.79	59.10%
Education	208.91	40.90%
	510.70	100.00%
Commercial/Industrial and Residential Split		
Commercial/Industrial Portion	510.70	100.00%
Residential Portion	0.00	0.00%
	510.70	100.00%

Appendix A – 9

City of Peterborough

Tax Appeals under Sections 357, 358 of the Municipal Act, 2001

Appeal Hearing: December 13, 2018

For taxes levied 2018

Seq	Assmt Type	Reason	Tax on Assmt	Capping	Heritage Tax Credit	Senior Tax Credit	BIA	Total
1	CT	Change in Tax Class	(3,277.32)					(3,277.32)
2	CT/RT	Property Became Exempt	(43,696.83)					(43,696.83)
3	CT	Demolition	(175.16)					(175.16)
4	XT/XU	Demolition	(1448.14)					(1448.14)
5	RT	Demolition	(55.66)					(55.66)
		TOTALS	(47,226.07)	0.00	0.00	0.00	0.00	(47,226.07)

Municipal and Education Split		
Municipal	41,865.14	88.60%
Education	5,360.93	11.40%
	47,226.07	100.00%
Commercial/Industrial and Residential Split		
Commercial/Industrial Portion	4,900.62	10.40%
Residential Portion	42,325.45	89.60%
	47,226.07	100.00%