



City of
Peterborough

To: Members of the Finance Committee

From: Richard Freymond, Commissioner of Corporate and Legislative Services

Meeting Date: December 5, 2022

Subject: Tax Adjustments under Section 356 and Tax Appeals under Sections 357, 358 and 359 of the Municipal Act, 2001, Report CLSFS22-031

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 CLSFS22-031 dated December 5, 2022 of the Commissioner of Corporate and Legislative Services as follows:

- a) That tax reductions in the amount of \$478,445.28 calculated in accordance with Sections 357, 358 and 359 of the **Municipal Act, 2001** and attached to report CLSFS22-031 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 \$478,445.28. This amount was comprised of \$127,160.79 which was charged back to the local school boards, and the \$351,284.49 municipal portion that was charged to the \$1,100,000 tax write-off provision provided for in the 2021 Operating Budget, and to the BIA. 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 Audit Committee for information purposes, at the same time the annual audited financial statements are presented.

Section 356 of the Act is related to the Planning Act processes by which lands are, from time to time, subdivided 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 no in-person hearings held in 2021 due to Covid restrictions. Applicants were provided with the opportunity to question any of the adjustments following written notification.

The listings attached to this report CLSFS22-031 as Appendix A identify the values 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
2016-2018	\$149,628.72	\$0.00	\$0.00	\$149,628.72
2019	\$102,696.22			\$102,696.22
2020	\$180,170.60			\$180,170.60
2021	\$45,949.74			\$45,949.74
Total	\$478,445.28	\$0.00	\$0.00	\$478,445.28

In addition to the tax adjustments summarized in Chart 1, there were 7 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

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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

For taxes levied 2016 to 2018

Seq	Assmt Type	Reason	Tax on Assmt	Capping	Heritage Tax Credit	Senior Tax Credit	BIA	Total
1	RT	Gross or Manifest Error	(149,628.72)					(149,628.72)
		TOTALS	(149,628.72)	0.00	0.00	0.00	0.00	(149,628.72)

Municipal and Education Split		
Municipal	130,542.10	87.24%
Education	19,086.62	12.76%
	149,628.72	100.00%
Commercial/Industrial and Residential Split		
Commercial/Industrial Portion	0	0.00%
Residential Portion	149,628.72	100.00%
	149,628.72	100.00%

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City of Peterborough

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

For taxes levied 2019

Seq	Assmt Type	Reason	Tax on Assmt	Capping	Heritage Tax Credit	Senior Tax Credit	BIA	Total
1	RT	Gross or Manifest Error	(149.56)					(149.56)
2	CT/CX	Class Change	(102,546.66)					(102,546.66)
		TOTALS	(102,696.22)	0.00	0.00	0.00	0.00	(102,696.22)

Municipal and Education Split		
Municipal	63,963.95	62.28%
Education	38,732.27	37.72%
	102,696.22	100.00%
Commercial/Industrial and Residential Split		
Commercial/Industrial Portion	102,546.66	99.9%
Residential Portion	149.56	.1%
	102,696.22	100.00%

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City of Peterborough

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

For taxes levied 2020

Seq	Assmt Type	Reason	Tax on Assmt	Capping Adj	Heritage Tax Credit	Senior Tax Credit	BIA	Total
1	CT/CX	Class Change	(129,227.25)					(129,227.25)
2	CT	Repairs or Renovations	(31,636.18)					(31,636.18)
3	RT	Fire	(1,580.91)					(1,580.91)
4	RT	Gross or Manifest Error	(154.18)					(154.18)
5	MT	Became Exempt	(17,572.08)					(17,572.08)
		TOTALS	(180,170.60)	0.00	0.00	0.00	0.00	(180,170.60)

Municipal and Education Split			
Municipal	121,803.43	67.60%	
Education	58,367.17	32.40%	
	180,170.60	100.00%	
Commercial/Industrial and Residential Split			
Commercial Portion	178,435.51	99.03%	
Residential Portion	1735.09	.97%	
	180,170.60	100.00%	

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City of Peterborough

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

For taxes levied 2021

Seq	Assmt Type	Reason	Tax on Assmt	Capping Adj	Heritage Tax Credit	Senior Tax Credit	BIA	Total
1	RT/CT	Building Demolition						
		Building Fire	(2,772.16)					(2,772.16)
2	RT	Class/Zoning Change	(3,378.07)					(3,378.07)
3	CT	Gross or Manifest	(11,062.10)					(11,062.10)
4	RT/CT	Error	(86.89)					(86.89)
5	RT/CT	Became Exempt	(26,950.32)					(26,950.32)
6	RT	Unusable	(1,091.14)					(1,091.14)
7	CT	No more Commercial	(609.06)					(609.06)
		TOTALS	(45,949.74)	0.00	0.00	0.00	0.00	(45,949.74)

Municipal and Education Split		
Municipal	34,975.01	76.12%
Education	10,974.73	23.88%
	45,949.74	100.00%
Commercial/Industrial and Residential Split		
Commercial/Industrial Portion	40,510.65	88.16%
Residential Portion	5,439.09	11.84%
	45,949.74	100.00%