



City of
Peterborough

To: Members of the Audit Committee

**From: Patricia Lester
Commissioner of Corporate and Legislative Services**

Meeting Date: June 25, 2018

**Subject: Report CLSFS18-030
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 CLSFS18-030 dated June 25, 2018, of the Commissioner of Corporate and Legislative Services as follows:

- a) That tax reductions in the amount of \$61,246.43, calculated in accordance with Sections 357, 358 and 359 of the **Municipal Act, 2001** and attached to report CLSFS18-030 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 \$61,246.43. This amount was comprised of \$24,940.07 which was charged back to the local school boards, and the \$36,306.36 municipal portion that was charged to the \$1,050,000 tax write-off provision provided for in the 2017 Operating Budget. Assessment reductions made through the **Assessment Act** as well as tax write offs resulting from City agreements expended the remainder of the budget. In addition, a credit of (\$261.59) was

charged back to the Waste Management Fee on Exempt Property and \$106.89 was charged back to the Downtown Business Improvement 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 Audit 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 2017. Applicants had an opportunity to question any of the adjustments at their specific hearings held at City Hall on February 23, July 13, August 29 and October 19, 2017.

The listings attached to this report CLSFS18-030 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	Waste Fee Adjustment	BIA Adjustment	Total
2016	\$24,854.08	\$0.00	\$310.15	\$25,164.23
2017	\$36,392.35	\$261.59	\$(203.26)	\$36,450.68
Total	\$61,246.43	\$261.59	\$106.89	\$61,614.91

In addition to the tax adjustments summarized in Chart 1, there were 18 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,

Prepared by,

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 Commissioner of Corporate and
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Attachments:

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

City of Peterborough
Tax Appeals under Sections 357, 358 of the Municipal Act, 2001
Appeal Hearing: February 23, 2017
For taxes levied 2016

Seq	Assmt Type	Appeal Number	Reason	Tax on Assmt	Capping Adj	Heritage Tax Credit	Senior Tax Credit	BIA	Total
		2016							
1	RT	2016-040	Substantially Unusable	(574.63)					(574.63)
2	RT/FT	2016-041	Building Demolition	(136.69)					(136.69)
3	CT/RT	2016-042	Class/Zoning Change	(1,771.48)				(202.71)	(1,974.19)
4	RT	2016-043	Gross or Manifest Error	(272.57)					(272.57)
5	RT	2016-044	Building Demolition	(68.89)					(68.89)
6	CT/CX	2016-045	Building Demolition	(10,339.01)					(10,339.01)
7	CT/RT	2016-046	Class/Zoning Change	(2,715.07)					(2,715.07)
8	CT/RT	2016-047	Class/Zoning Change	(7,500.97)					(7,500.97)
				(23,379.31)	0.00	0.00	0.00	(202.71)	(23,582.02)

Municipal and Education Split		
Municipal	12,986.83	55.50%
Education	10,392.48	44.50%
	23,379.31	100.00%
Commercial/Industrial and Residential Split		
Commercial/Industrial Portion	26,370.94	112.80%
Residential Portion	(2,991.63)	-12.80%
	23,379.31	100.00%

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

Appeal Hearing: July 13, 2017

For taxes levied 2016

Seq	Assmt Type	Appeal Number	Reason	Tax on Assmt	Capping Adj	Heritage Tax Credit	Senior Tax Credit	BIA	Total
1	CT	<u>2016</u> 2016-039	Exempt - City owned	(1,341.33)				(92.04)	(1,433.37)
2	CT/RT	2016-048	Exempt - City owned	(133.44)				(15.40)	(148.84)
				(1,474.77)	0.00	0.00	0.00	(107.44)	(1,582.21)

Municipal and Education Split		
Municipal	846.43	57.40%
Education	628.34	42.60%
	1,474.77	100.00%
Commercial/Industrial and Residential Split		
Commercial/Industrial Portion	1,565.76	106.20%
Residential Portion	(90.99)	-6.20%
	1,474.77	100.00%

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

Appeal Hearing: July 13, 2017

For taxes levied 2017

Seq	Assmt Type	Appeal Number	Reason	Tax on Assmt	Cap Adj	Heritage Tax Credit	Waste Fee	BIA	Total
		<u>2017</u>							
1	CT/RT	2017-013	Class/Zoning Change	(23,058.05)			261.59		(22,796.46)
2	CT/RT	2017-006	Class/Zoning Change	(1,623.32)				(203.26)	(1,826.58)
3	RT	2017-009	Change in Use	(423.95)					(423.95)
4	RT	2017-003	Class/Zoning Change	(1,244.91)					(1,244.91)
5	EN	2017-004	Property became exempt	(1,537.60)					(1,537.60)
6	RT	2017-005	Property became exempt	(1,592.03)					(1,592.03)
7	RT	2017-007	Gross/Manifest Error	(26.34)					(26.34)
8	RT	2017-008	Property became exempt	(1,739.74)					(1,739.74)
9	FT	2017-001	Building Fire	(1,251.42)					(1,251.42)
				(32,497.36)	0.00	0.00	261.59	(203.26)	(32,439.03)

Municipal and Education Split

Municipal	19,430.40	59.80%
Education	13,066.96	40.20%
	32,497.36	100.00%

Commercial/Industrial and Residential Split

Commercial/Industrial Portion	31,426.44	96.70%
Residential Portion	1,070.92	3.30%
	32,497.36	100.00%

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

Appeal Hearing: Aug 29, 2017

For taxes levied 2017

Seq	Assmt Type	Appeal Number	Reason	Tax on Assmt	Capping Adj	Heritage Tax Credit	Senior Tax Credit	BIA	Total
		2017							
1	CT	2017-017	Building Fire	(1,013.67)					(1,013.67)
2	RT	2017-011	Building Demolition	(818.69)					(818.69)
3	RT	2017-018	Flood Damage	(605.28)					(605.28)
4	RT	2017-014	Pool Removed	(141.96)					(141.96)
5	RT	2017-016	Building Fire	(1,119.75)					(1,119.75)
				(3,699.35)	0.00	0.00	0.00	0.00	(3,699.35)

Municipal and Education Split

Municipal	2,947.27	79.70%
Education	752.08	20.30%
	3,699.35	100.00%

Commercial/Industrial and Residential Split

Commercial/Industrial Portion	1,013.67	27.40%
Residential Portion	2,685.68	72.60%
	3,699.35	100.00%

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

Appeal Hearing: October 19, 2017

For taxes levied 2017

Seq	Assmt Type	Appeal Number	Reason	Tax on Assmt	Capping Adj	Heritage Tax Credit	Senior Tax Credit	BIA	Total
1	RT	<u>2017</u> 2017-18	Property became Exempt	(15.79)					(15.79)
2	RT/CT	2017-19	Change in tax class	(179.85)					(179.85)
				(195.64)	0.00	0.00	0.00	0.00	(195.64)

Municipal and Education Split		
Municipal	95.43	48.80%
Education	100.21	51.20%
	195.64	100.00%
Commercial/Industrial and Residential Split		
Commercial/Industrial Portion	264.30	135.10%
Residential Portion	(68.66)	-35.10%
	195.64	100.00%