



## City of Peterborough

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**To:** Members of the Audit Committee

**From:** Sandra Clancy, Director of Corporate Services

**Meeting Date:** June 20, 2016

**Subject:** Report CPFS16-017  
Tax Adjustments under Section 356 and Tax Appeals under Sections 357, 358 and 359 of the Municipal Act, 2001

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### 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 CPFS16-017 dated June 20, 2016, of the Director of Corporate Services as follows:

- a) That tax reductions in the amount of \$188,136.11, calculated in accordance with Sections 357, 358 and 359 of the **Municipal Act, 2001** and attached to report CPFS16-017 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 \$188,136.11. This amount was comprised of \$53,941.49, which was charged back to the local school boards, and the \$134,183.42 municipal portion that was charged to the \$940,000 tax write-off provision provided for in the 2015 Operating Budget. In addition, \$0 was charged back to the capping adjustment account and \$11.20 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 three hearings held in 2015. Applicants had an opportunity to question any of the adjustments at their specific hearings held at City Hall on February 26, September 3 and December 7, 2015.

The listings attached to this report CPFS16-017 as Appendix A identifies 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**

<b>Year</b>	<b>Taxes</b>	<b>Capping Adjustment</b>	<b>BIA Adjustment</b>	<b>Total</b>
2013	\$5,179.43	\$0.00	\$1.67	\$5,181.10
2014	\$121,764.73	\$0.00	\$9.53	\$121,774.26
2015	\$61,180.75	\$0.00	\$0.00	\$61,180.75
<b>Total</b>	<b>\$188,124.91</b>	<b>\$0.00</b>	<b>\$11.20</b>	<b>\$188,136.11</b>

In addition to the tax adjustments summarized in Chart 1, there were 14 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

Sandra Clancy  
 Director of Corporate 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](mailto:kmcphail@peterborough.ca)

Attachments:

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

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**City of Peterborough**

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

**Appeal Hearing: February 26, 2015**

**For taxes levied 2013**

<b>Seq</b>	<b>Assmt Type</b>	<b>Appeal Number</b>	<b>Reason</b>	<b>Tax on Assessment</b>	<b>Capping Adj</b>	<b>Heritage Tax Credit</b>	<b>Senior Tax Credit</b>	<b>BIA</b>	<b>Total</b>
1	C	<u>2013</u> 2013-068	Exempt - City owned	(24.32)				(1.67)	(25.99)
			<b>TOTALS</b>	<b>(24.32)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(1.67)</b>	<b>(25.99)</b>

<b>Municipal and Education Split</b>		
Municipal	13.86	57%
Education	10.46	43%
	<b>24.32</b>	<b>100%</b>
<b>Commercial/Industrial and Residential Split</b>		
Commercial/Industrial Portion	24.32	100%
Residential Portion	0.00	0%
	<b>24.32</b>	<b>100%</b>

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City of Peterborough

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

Appeal Hearing: February 26, 2015

For taxes levied 2014

Seq	Assmt Type	Appeal Number	Reason	Effective Date	Tax on Assmt	Capping Adj	Heritage Tax Credit	Senior Tax Credit	BIA	Total
		<b>2014</b>								
1	C	2014-015	Exempt - City owned	1-Jan-2014	(138.17)				(9.53)	(147.70)
2	R/F	2014-020	Building demolished	5-Feb-2014	(959.54)					(959.54)
3	R	2014-022	Exempt - City owned	6-Feb-2014	(2,463.02)					(2,463.02)
4	R	2014-025	Exempt - City owned	11-Apr-2014	(89.31)					(89.31)
5	R	2014-026	Exempt - City owned	21-Sep-2014	(819.24)					(819.24)
6	R	2014-027	Exempt - City owned	20-Sep-2014	(697.39)					(697.39)
7	R	2014-028	Building demolished	16-Oct-2014	(233.37)					(233.37)
8	C	2014-029	Exempt - City owned	3-Nov-2014	(5,040.63)					(5,040.63)
9	C	2014-030	Exempt	1-May-2014	(13,634.33)					(13,634.33)
10	R	2014-031	Exempt - City owned	23-Jul-2014	(1,235.13)					(1,235.13)
11	R	2014-032	Exempt - City owned	21-Aug-2014	(939.22)					(939.22)
12	I	2014-033	Exempt - City owned	19-Dec-2014	(124.06)					(124.06)
13	R	2014-034	Building demolished	15-Dec-2014	(68.38)					(68.38)
14	C	2014-035	Interior finishes removed	10-Apr-2014	(425.49)					(425.49)
<b>TOTALS</b>					<b>(26,867.28)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(9.53)</b>	<b>(26,876.81)</b>

<b>Municipal and Education Split</b>		
Municipal	17,588.33	65%
Education	9,278.98	35%
	<b>26,867.31</b>	<b>100%</b>
<b>Commercial/Industrial and Residential Split</b>		
Commercial/Industrial		
Portion	1,362.68	72%
Residential Portion	7,504.60	28%
	<b>8,867.28</b>	<b>100%</b>

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**City of Peterborough**

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

**Appeal Hearing: September 3, 2015**

**For taxes levied 2014**

Seq	Assmt Type	Appeal Number	Reason	Tax on Assmt	Capping Adj	Heritage Tax Credit	Senior Tax Credit	BIA	Total
		<b>2014</b>							
1	M	2014-036	Unit renovations	(2,760.23)					(2,760.23)
2	C	2014-037	Buildings demolished	(2,362.68)					(2,362.68)
3	L/C	2014-041	Buildings demolished	(26,218.39)					(26,218.39)
<b>TOTALS</b>				<b>(31,341.30)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(31,341.30)</b>

<b>Municipal and Education Split</b>		
Municipal	19,010.17	60.70%
Education	12,331.13	39.30%
	<b>31,341.30</b>	<b>100.00%</b>
<b>Commercial/Industrial and Residential Split</b>		
Commercial/Industrial Portion	28,581.07	91.20%
Residential Portion	2,760.23	8.80%
	<b>31,341.30</b>	<b>100.00%</b>

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City of Peterborough

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

Appeal Hearing: September 3, 2015

For taxes levied 2015

Seq	Assmt Type	Appeal Number	Reason	Tax on Assmt	Capping Adj	Heritage Tax Credit	Senior Tax Credit	BIA	Total
		<b>2015</b>							
1	R	2015-006	Exempt - City owned	(1,996.05)					(1,996.05)
2	R	2015-007	Bldg Int destroyed by fire	(748.78)					(748.78)
3	R	2015-008	Home and pool demo'd	(4,936.08)					(4,936.08)
4	R	2015-009	Exempt - City owned	(966.26)					(966.26)
5	R	2015-010	Filled in ground pool	(227.04)					(227.04)
6	R	2015-011	No Longer Commercial	(581.22)					(581.22)
7	ITN	2015-012	City vested property	(5,249.88)					(5,249.88)
<b>TOTALS</b>				<b>(14,705.31)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(14,705.31)</b>

<b>Municipal and Education Split</b>		
Municipal	19,010.17	60.70%
Education	12,331.13	39.30%
	<b>31,341.30</b>	<b>100.00%</b>
<b>Commercial/Industrial and Residential Split</b>		
Commercial/Industrial Portion	28,581.07	91.20%
Residential Portion	2,760.23	8.80%
	<b>31,341.30</b>	<b>100.00%</b>

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City of Peterborough

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

Appeal Hearing: December 7th, 2015

For taxes levied 2013

Seq	Assmt Type	Appeal Number	Reason	Tax on Assmt	Capping Adj	Heritage Tax Credit	Senior Tax Credit	BIA	Total
1	NT	<b>2013</b> 2013-069	Exempt MHCF Agreement	(5,155.11)					(5,155.11) 0.00 0.00 0.00 0.00
<b>TOTALS</b>				<b>(5,155.11)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(5,155.11)</b>

<b>Municipal and Education Split</b>		
Municipal	4,369.34	84.80%
Education	785.77	15.20%
	<b>5,155.11</b>	<b>100.00%</b>
<b>Commercial/Industrial and Residential Split</b>		
Commercial/Industrial Portion	0.00	0.00%
Residential Portion	5,155.11	100.00%
	<b>5,155.11</b>	<b>100.00%</b>



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City of Peterborough

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

Appeal Hearing: December 7th, 2015

For taxes levied 2014

Seq	Assmt Type	Appeal Number	Reason	Tax on Assmt	Capping Adj	Heritage Tax Credit	Senior Tax Credit	BIA	Total
1	NT	<u>2014</u> 2014-038	Exempt MHCF Agreement	63,556.15					63,556.15
<b>TOTALS</b>				<b>63,556.15</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>63,556.15</b>

<b>Municipal and Education Split</b>		
Municipal	54,446.10	85.70%
Education	9,110.05	14.30%
	<b>63,556.15</b>	<b>100.00%</b>
<b>Commercial/Industrial and Residential Split</b>		
Commercial/Industrial Portion	0.00	0.00%
Residential Portion	63,556.15	100.00%
	<b>63,556.15</b>	<b>100.00%</b>

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City of Peterborough

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

Appeal Hearing: December 7, 2015

For taxes levied 2015

Seq	Assmt Type	Appeal Number	Reason	Tax on Assmt	Capping Adj	Heritage Tax Credit	Senior Tax Credit	BIA	Total
		<b>2015</b>							
1	C	2015-013	Demolition	(19,047.37)	0.00			0.00	(19,047.37)
2	R	2015-039	Demolition	(519.92)	0.00			0.00	(519.92)
3	R	2015-014	Demolition	(49.34)	0.00			0.00	(49.34)
4	C	2015-016	Exempt	(26,787.63)	0.00			0.00	(26,787.63)
5	R	2015-038	Pool and Shed Removed	(71.18)	0.00			0.00	(71.18)
<b>TOTALS</b>				<b>(46,475.44)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(46,475.44)</b>

<b>Municipal and Education Split</b>		
Municipal	27,401.83	59.00%
Education	19,073.62	41.00%
	<b>46,475.45</b>	<b>100.00%</b>
<b>Commercial/Industrial and Residential Split</b>		
Commercial/Industrial Portion	45,835.00	98.60%
Residential Portion	640.44	1.40%
	<b>46,475.44</b>	<b>100.00%</b>