



City of  
**Peterborough**

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**To: Members of the Audit Committee**

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

**Meeting Date: June 19, 2017**

**Subject: Report CPFS17-025  
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 CPFS17-025 dated June 19, 2017, of the Director of Corporate Services as follows:

- a) That tax reductions in the amount of \$204,877.69, calculated in accordance with Sections 357, 358 and 359 of the **Municipal Act, 2001** and attached to report CPFS17-025 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 \$204,877.69. This amount was comprised of \$82,348.44 which was charged back to the local school boards, and the \$122,277.52 municipal portion that was charged to the \$950,000 tax write-off provision provided for in the 2016 Operating Budget. In addition a credit of \$(588.88) was charged back to the capping adjustment account and \$840.61 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 2016. Applicants had an opportunity to question any of the adjustments at their specific hearings held at City Hall on June 14, August 26 and October 18, 2016.**

The listings attached to this report CPFS17-025 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**

<b>Year</b>	<b>Taxes</b>	<b>Capping Adjustment</b>	<b>BIA Adjustment</b>	<b>Total</b>
2014	\$5,090.26	\$(1,257.35)	\$0	\$3,832.91
2015	\$8,902.41	\$0.00	\$0	\$8,902.41
2016	\$190,633.29	\$668.47	\$840.61	\$192,142.37
<b>Total</b>	<b>\$204,625.96</b>	<b>\$(588.88)</b>	<b>\$840.61</b>	<b>\$204,877,.69</b>

In addition to the tax adjustments summarized in Chart 1, there were 28 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

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 Director of Corporate 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  
 Appeal Hearing: June 14, 2016  
 For Taxes Levied 2014**

Seq	Assmt Type	Appeal Number	Reason	Tax on Assessment	Capping Adj	Heritage Tax Credit	Senior Tax Credit	BIA	Total
1	CT	<u>2014</u> 2016-011	Overcharged Due to Error	(5090.26)	1257.35				(3832.91)
			<b>TOTALS</b>	<b>(5090.26)</b>	<b>1257.35</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(3832.91)</b>

<b>Municipal and Education Split</b>		
Municipal	2933.00	57.6%
Education	2157.26	42.4%
	<b>5090.26</b>	<b>100%</b>
<b>Commercial/Industrial and Residential Split</b>		
Commercial/Industrial Portion	5090.26	100%
Residential Portion	0.00	0%
	<b>5090.26</b>	<b>100%</b>

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**City of Peterborough  
Tax Appeals under Sections 357, 358 of the Municipal Act, 2001  
Appeal Hearing: June 14, 2016  
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	RT	2015-002	Exempt - City owned	(9.11)					(9.11)
2	RT	2016-003	Exempt –City Owned	(12.51)					(12.51)
3	RT	2016-007	Exempt – City Owned	(241.19)					(241.19)
4	RT	2015-004	Exempt – City Owned	(268.66)					(268.66)
5	CT/IT	2016-010	Class Change	(1948.61)					(1948.61)
6	CT/IT	2016-011	Overcharged due to error	(4957.92)					(4957.92)
7	RT	2016-009	Overcharged due to error	(83.15)					(83.15)
8	RT	2016-001	Class Change	(119.13)					(119.13)
<b>TOTALS</b>				<b>(7640.28)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(7640.28)</b>

<b>Municipal and Education Split</b>		
Municipal	4687.65	61.40%
Education	2952.63	38.60%
	<b>7640.28</b>	<b>100%</b>
<b>Commercial/Industrial and Residential Split</b>		
Commercial/Industrial Portion	7025.66	92.00%
Residential Portion	614.62	8.00%
	<b>7640.28</b>	<b>100%</b>

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**City of Peterborough  
Tax Appeals under Sections 357, 358 of the Municipal Act, 2001  
Appeal Hearing: August 26, 2016  
For taxes levied 2016**

Seq	Assmt Type	Appeal Number	Reason	Tax on Assmt	Capping Adj	Heritage Tax Credit	Senior Tax Credit	BIA	Total
		<b><u>2016</u></b>							
1	RT	2016-014	Exempt- City Owned	(4799.13)					(4799.13)
2	CU	2016-013	Exempt- City Owned	(5747.38)					(5747.38)
3	RT	2016-021	Overcharged due to error	(86.55)					(86.55)
4	RT	2016-020	Class Change	(490.27)					(490.27)
5	RT	2016.012	Demolition	(116.31)					(116.31)
6	CT/DT	2016-023	Building became exempt	(3317.80)	(15.21)				(3333.01)
7	CT/DT	2016-022	Building became exempt	(14636.38)	(67.09)				(14703.47)
8	CT/DT	2016-024	Building became exempt	(19827.48)	(90.89)				(19918.37)
9	CT/DT	2016-025	Building became exempt	(49724.84)	(227.93)				(49952.77)
10	CT/DT	2016-026	Building became exempt	(55150.30)	(252.80)				(55403.10)
11	CT/RT	2016-019	Class Change	(264.96)					(264.96)
12	CT/RT	2016-027	Class Change	(2598.73)					(2598.73)
<b>TOTALS</b>				<b>(156760.13)</b>	<b>(653.92)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(157414.05)</b>

<b>Municipal and Education Split</b>		
Municipal	94194.86	60.10%
Education	62565.27	39.90%
	<b>156760.13</b>	<b>100.00%</b>
<b>Commercial/Industrial and Residential Split</b>		
Commercial/Industrial Portion	151267.87	96.50%
Residential Portion	5492.26	3.50%
	<b>156760.13</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: October 18, 2016  
 For taxes levied 2015**

Seq	Assmt Type	Appeal Number	Reason	Tax on Assmt	Capping Adj	Heritage Tax Credit	Senior Tax Credit	BIA	Total
1	RT	<b>2015</b> 2016-029	Building Demolished	(1192.09)					(1192.09)
2	RT	2016-037	Pool Removed	(70.04)					(703.04)
<b>TOTALS</b>				<b>(1262.13)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(1262.13)</b>

<b>Municipal and Education Split</b>		
Municipal	1090.16	86.40%
Education	171.97	13.60%
	<b>1262.13</b>	<b>100.00%</b>
<b>Commercial/Industrial and Residential Split</b>		
Commercial/Industrial Portion	0.00	0%
Residential Portion	1262.13	100%
	<b>1262.13</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: October 18, 2016  
For taxes levied 2016**

Seq	Assmt Type	Appeal Number	Reason	Tax on Assmt	Capping Adj	Heritage Tax Credit	Senior Tax Credit	BIA	Total
		<b><u>2016</u></b>							
1	RT	2016-004	Exempt – City Owned	(2754.28)					(2754.28)
2	RT	2016-016	Exempt – City Owned	(1831.25)					(1831.25)
3	RT	2016-017	Pool Closed	(187.52)					(187.52)
4	CT	2016-018	Zoning Change	(5859.87)					(5859.87)
5	CT/RT	2016-028	Exempt – City Owned	(4973.07)				(291.75)	(5264.82)
6	RT	2016-030	Building Demolished	(1803.10)					(1803.10)
7	RT	2016-031	Exempt – City Owned	(1248.03)					(1248.03)
8	RT	2016-032	Building Demolished	(1243.73)					(1243.73)
9	CT	2016-033	Exempt – City Owned	(7999.09)	(14.55)			(548.86)	(8562.50)
10	RT	2016-034	Building destroyed by fire	(517.88)					(517.88)
11	CT	2016-035	Building destroyed by fire	(831.68)					(831.68)
12	CT	2016-036	Building demolished	(4470.23)					(4470.23)
13	CT	2016-038	Class Change	(153.43)					(153.43)
<b>TOTALS</b>				<b>(33873.16)</b>	<b>(14.55)</b>	<b>0.00</b>	<b>0.00</b>	<b>(840.61)</b>	<b>(34728.32)</b>

<b>Municipal and Education Split</b>		
Municipal	22894.23	67.60%
Education	10978.93	32.40%
	<b>33873.16</b>	<b>100.00%</b>
<b>Commercial/Industrial and Residential Split</b>		
Commercial/Industrial Portion	23566.25	69.60%
Residential Portion	10306.91	30.40%
	<b>33,873.16</b>	<b>100.00%</b>