



City of
Peterborough

TO: Members of the Audit Committee

FROM: Sandra Clancy, Director of Corporate Services

MEETING DATE: June 20, 2011

**SUBJECT: Report CPFS11-011
Tax Adjustments under Section 356 and Tax Appeals under
Sections 357, 358 and 359 of the Municipal Act, 2001**

PURPOSE

A report seeking Council's approval for tax adjustments in accordance with Sections 356, 357, 358 and 359 of the *Municipal Act, 2001*.

RECOMMENDATIONS

That Council approve the recommendations outlined in report CPFS11-011 dated June 20, 2011, of the Director of Corporate Services as follows:

- a) That tax reductions in the amount of \$270,582.03, calculated in accordance with Sections 357, 358 and 359 of the *Municipal Act, 2001* and attached to report CPFS11-011 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 to be written off is \$270,582.03. This write-off amount is comprised of \$114,621.86, which will be

charged back to the local school boards, and the \$153,950.41 municipal portion will be charged to the \$814,000 tax write-off provision provided for in the 2010 Operating Budget. In addition, \$2,265.92 will be charged back to the capping adjustment account, \$69.55 will be charged to the Business Improvement account, \$168.24 will be charged back to the Heritage Tax Credit account and \$157.47 to the Senior Tax Credit 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 judgement in assessing the land.

Applicants initiate the appeal process by writing to the Tax Office providing full details. Municipal Property Assessment Corporation staff is then asked to confirm the information and provide revised assessment figures. The Tax Office staff subsequently issues notices to applicants that show the original and revised tax levies, and the resulting tax reduction including capping. Applicants had an opportunity to question any of the adjustments at

Hearings, held in the Council Chambers on various dates throughout 2010. MPAC did not recommend any changes for these applications.

The listings attached to this report CPFS11-011 as Appendix A identifies the affected tax appeal accounts and the value of the individual adjustments by year. Chart 1 summarizes the total dollar impact of the adjustments.

Chart 1
Summary of Tax Adjustments by Year

Year	Taxes	Capping Adjustment	Senior Tax Credit	Heritage Tax Credit	BIA	Total
2008	10,456.32	65.63	0.00	(64.25)	0.00	10,457.70
2009	139,425.28	1,455.62	(157.47)	(103.99)	0.00	140,619.44
2010	118,690.67	744.67	0.00	0.00	69.55	119,504.89
TOTAL	268,572.27	2,265.92	(157.47)	(168.14)	69.55	270,582.03

In addition to the tax adjustments summarized in Chart 1, there were 350 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:
Christine Heersink
Tax Collector/Revenue Coordinator
Phone: 705-742-7777 Ext 1622
Fax: 705-748-8839
E-mail: cheersink@peterborough.ca

Appendix A - 1

City of Peterborough
Tax Appeals under Section 358 of the Municipal Act, 2001
Appeal Hearing: July 29, 2010
For taxes levied 2008

Seq	Assmt Type	Appeal Number	Roll Number	Reason	Effective Date	Tax on Assessment	Capping Adj	Heritage Tax Credit	Senior Tax Credit	Bia	Total
1	R	<u>2008</u> 2008-011	020.070.21700.0000	Uninhabitable due to renovations	1-Jan-2008	(468.67)					(468.67)
2	C/R	2008-026	030.070.12200.0000	No longer commercial	1-Jun-2008	(722.84)	(4.98)	64.25			(663.57)
3	M	2008-025	020.060.01400.0000	Land Apportionment	1-Jan-2008	(138.90)					(138.90)
TOTALS						(1,330.41)	(4.98)	64.25	0.00	0.00	(1,271.14)
Municipal Portion - 2008						(788.50)	(4.98)	64.25	0.00	0.00	(729.23)
Education Portion - 2008						(541.91)					(541.91)
						(1,330.41)	(4.98)	64.25	0.00	0.00	(1,271.14)
Commercial/Industrial and Residential Split										%	
Commercial/Industrial Portion						(1,120.85)					84.20%
Residential Portion						(209.56)					15.80%
						(1,330.41)				100.00%	

Appendix A – 2

City of Peterborough
Tax Appeals under Section 358 of the Municipal Act, 2001
Appeal Hearing: Dec 9, 2010
For taxes levied 2008

Seq	Assmt Type	Appeal Number	Roll Number	Reason	Effective Date	Tax on Assessment	Capping Adj	Heritage Tax Credit	Senior Tax Credit	Bia	Total
		2008									
1	I	2008-019	030.160.00900.0000	Demolition	1-Jan-2008	(1,914.77)	(60.65)				(1,975.42)
2	C	2008-027	030.070.04200.0000	Property no longer useable	5-Feb-2008	(2,568.66)					(2,568.66)
3	R	2008-029	050.070.25984.0000	City owned	1-Jan-2008	(292.04)					(292.04)
4	R	2008-030	050.070.26086.0000	City owned	1-Jan-2008	(2,258.01)					(2,258.01)
5	R	2008-031	050.070.25986.0000	City owned	1-Jan-2008	(2,092.43)					(2,092.43)
TOTALS						(9,125.91)	(60.65)	0.00	0.00	0.00	(9,186.56)
Municipal Portion - 2008						(6,285.83)	(60.65)	0.00	0.00	0.00	(6,346.48)
Education Portion - 2008						(2,840.08)					(2,840.08)
						(9,125.91)	(60.65)	0.00	0.00	0.00	(9,186.56)
Commercial/Industrial and Residential Split										%	
Commercial/Industrial Portion						(4,483.43)				49.10%	
Residential Portion						(4,642.48)				50.90%	
						(9,125.91)				100.00%	

Appendix A – 3

City of Peterborough
Tax Appeals under Section 358 of the Municipal Act, 2001
Appeal Hearing: July 29, 2010
For taxes levied 2009

Seq	Assmt Type	Appeal Number	Roll Number	Reason	Effective Date	Tax on Assessment	Capping Adj	Heritage Tax Credit	Sr Tax Cr	Bia	Total
		2009									
1	R	2009-001	010.130.22101.0000	Demolition	24-Feb-2009	(1,914.32)					(1,914.32)
2	R	2009-002	010.130.22000.0000	Demolition	24-Feb-2009	0.00					0.00
3	R	2009-003	010.130.22100.0000	Demolition	24-Feb-2009	0.00					0.00
4	I	2009-006	010.010.00338.0000	Ind to Comm conversion	15-May-2009	(1,321.94)	(17.23)				(1,339.17)
5	R	2009-010	040.021.00100.0000	Land apportionment	6-Mar-2009	(339.54)					(339.54)
6	I	2009-011	010.130.05263.0000	City purchased property	10-Sep-2009	(1,265.70)					(1,265.70)
7	C/R	2009-012	030.070.12200.0000	No longer commercial	1-Jan-2009	(1,224.02)	(9.85)	103.99			(1,129.88)
8	R	2009-013	010.050.02600.0000	Pool filled in	1-Jan-2009	(157.47)			157.47		0.00
9	C	2009-015	040.060.05500.0000	Demolition	15-May-2009	(1,664.16)					(1,664.16)
10	C/R	2009-018	030.060.05300.0000	No longer commercial	1-Jun-2009	(895.38)	(18.20)				(913.58)
11	R	2009-019	010.130.07400.0000	Pool filled in	1-Oct-2009	(52.39)					(52.39)
12	R	2009-020	020.070.04101.0000	Demolition	7-Oct-2009	(432.94)					(432.94)
13	C	2009-023	010.120.11300.0000	Demolition	1-Feb-2009	(123,138.21)	(1,295.53)				(124,433.74)
TOTALS						(132,406.07)	(1,340.81)	103.99	157.47	0.00	(133,485.42)
Municipal Portion - 2009						(73,649.15)	(1,340.81)	103.99	157.47	0.00	(74,728.50)
Education Portion - 2009						(58,756.92)					(58,756.92)
						(132,406.07)	(1,340.81)	103.99	157.47	0.00	(133,485.42)
Commercial/Industrial and Residential Split										%	
Commercial/Industrial Portion						(129,509.41)				97.80%	
Residential Portion						(2,896.66)				2.20%	
						(132,406.07)				100.00%	

Appendix A – 4

City of Peterborough
Tax Appeals under Section 358 of the Municipal Act, 2001
Appeal Hearing: Dec 9, 2010
For taxes levied 2009

Seq	Assmt Type	Appeal Number	Roll Number	Reason	Effective Date	Tax on Assessment	Capping Adj	Heritage Tax Credit	Bia	Total
		<u>2009</u>								
1	C	2009-017	030.070.04200.0000	Property useable	1-Jan-2009	(2,717.75)				(2,717.75)
2	C	2009-021	030.060.12600.0000	Class Change	1-Jan-2009	5,169.59				5,169.59
3	R	2009-022	010.030.01125.0000	Class Change	28-Apr-2009	(1,104.39)	(44.30)			(1,148.69)
4	R	2009-025	050.070.25984.0000	City Owned	1-Jan-2009	(297.36)				(297.36)
5	R	2009-026	050.070.26086.0000	City Owned	1-Jan-2009	(1,962.87)				(1,962.87)
6	R	2009-027	050.070.25986.0000	City Owned	1-Jan-2009	(1,845.69)				(1,845.69)
7	I	2009-028	030.160.00900.0000	Demolition	1-Jan-2009	(1,813.76)	(70.51)			(1,884.27)
8	I	2009-029	040.140.19400.0000	Demolition	1-Apr-2009	(2,446.98)				(2,446.98)
TOTALS						(7,019.21)	(114.81)	0.00	0.00	(7,134.02)
Municipal Portion - 2009						(5,677.40)	(114.81)	0.00	0.00	(5,792.21)
Education Portion - 2009						(1,341.81)				(1,341.81)
						(7,019.21)	(114.81)	0.00	0.00	(7,134.02)
Commercial/Industrial and Residential Split									%	
Commercial/Industrial Portion						(534.42)			7.60%	
Residential Portion						(6,484.79)			92.40%	
						(7,019.21)			100.00%	

Appendix A – 5

City of Peterborough
Tax Appeals under Section 357 of the Municipal Act, 2001
For taxes levied 2010

Seq	Assmt Type	Appeal Number	Roll Number	Reason	Effective Date	Tax on Assessment	Capping Adj	Heritage Tax Credit	Senior Tax Credit	BIA	Total
		2010									
1	I	2010-004	010.130.05265.0000	Property should be exempt	1-Jan-2010	(4,067.93)					(4,067.93)
2	I	2010-005	010.130.05263.0000	Property should be exempt	1-Jan-2010	(4,015.33)					(4,015.33)
3	C	2010-006	020.060.00215.0000	City purchased property	15-Mar-2010	(10,292.66)					(10,292.66)
4	C	2010-007	020.060.00400.0000	City purchased property	15-Mar-2010	(34,430.87)	(217.54)				(34,648.41)
5	R	2010-008	020.010.02200.0000	City purchased property	30-Mar-2010	(1,631.51)					(1,631.51)
6	R	2010-011	020.060.09008.0000	Pool filled in	19-May-2010	(113.86)					(113.86)
7	C/R	2010-012	040.050.02600.0000	2nd Floor Mostly Commercial	1-Jan-2010	326.00	13.24			55.29	394.53
TOTALS						(54,226.16)	(204.30)	0.00	0.00	55.29	(54,375.17)
Municipal Portion - 2010						(30,396.04)	(204.30)	0.00	0.00	55.29	(30,545.05)
Education Portion - 2010						(23,830.12)					(23,830.12)
						(54,226.16)	(204.30)	0.00	0.00	55.29	(54,375.17)
Commercial/Industrial and Residential Split										%	
Commercial/Industrial Portion						(52,006.25)					95.90%
Residential Portion						(2,219.91)					4.10%
						(54,226.16)				100.00%	

Appendix A – 6

City of Peterborough
Tax Appeals under Section 357 of the Municipal Act, 2001
Appeal Hearing: Dec 9, 2010
For taxes levied 2010

Seq	Assmt Type	Appeal Number	Roll Number	Reason	Effective Date	Tax on Assesme	Capping Adj	Heritage Tax Credit	Senior Tax Credit	BIA	Total
		2010									
1	R	2010-001	030.060.12600.0000	Class Change	1-Jan-2010	4,819.39					4,819.39
2	R	2010-002	040.130.03500.0000	House not liveable	1-Jan-2010	(307.53)					(307.53)
3	I	2010-003	040.040.19400.0000	Demolition	1-Jan-2010	(3,269.35)					(3,269.35)
4	C	2010-009	010.130.12800.0000	Demolition	24-Feb-2010	(6,307.89)	339.74				(5,968.15)
5	C	2010-010	010.130.12700.0000	Demolition	24-Feb-2010	(54,698.00)	(865.35)				(55,563.35)
6	R	2010-013	050.070.25984.0000	City Owned	1-Jan-2010	(304.86)					(304.86)
7	R	2010-014	050.070.26086.0000	City Owned	1-Jan-2010	(1,926.94)					(1,926.94)
8	R	2010-015	050.070.25986.0000	City Owned	1-Jan-2010	(1,811.90)					(1,811.90)
9	C/R	2010-020	040.060.04700.0000	Gross or Manifest Clerical Error	1-Jan-2010	(657.43)	(14.76)			(124.84)	(797.03)
TOTALS						(64,464.51)	(540.37)	0.00	0.00	(124.84)	(65,129.72)
Municipal Portion - 2010						(37,153.49)	(540.37)	0.00	0.00	(124.84)	(37,818.70)
Education Portion - 2010						(27,311.02)					(27,311.02)
						(64,464.51)	(540.37)	0.00	0.00	(124.84)	(65,129.72)
Commercial/Industrial and Residential Split										%	
Commercial/Industrial Portion						(58,344.07)				90.50%	
Residential Portion						(6,120.44)				9.50%	
						(64,464.51)				100.00%	