



City of
Peterborough

TO: Members of the Audit Committee

FROM: Sandra Clancy, Director of Corporate Services

MEETING DATE: June 25, 2012

SUBJECT: Report CPFS12-047
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, 357, 358 and 359 of the *Municipal Act, 2001*.

RECOMMENDATIONS

That Council approve the recommendations outlined in report CPFS12-047 dated June 25, 2012, of the Director of Corporate Services as follows:

- a) That tax reductions in the amount of \$119,077.40, calculated in accordance with Sections 357, 358 and 359 of the *Municipal Act, 2001* and attached to report CPFS12-047 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 \$119,077.40. This write-off amount is comprised of \$47,112.81, which will be charged back to the local school boards, and the \$70,924.96 municipal portion will be

charged to the \$844,000 tax write-off provision provided for in the 2011 Operating Budget. In addition, \$1,039.63 will be charged back to the capping adjustment 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 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. Applicants had an opportunity to question any of the adjustments at the Hearing, held in the Council Chambers on November 17, 2011. MPAC did not recommend any changes for these applications.

The listings attached to this report CPFS12-047 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	Total
2009	67,236.45	676.10	67,912.55
2010	16,560.25	45.40	16,605.65
2011	34,241.07	318.13	34,559.20
TOTAL	118,037.77	1,039.63	119,077.40

In addition to the tax adjustments summarized in Chart 1, there were 122 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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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 358 of The <i>Municipal Act</i>, 2001 Appeal Hearing: November 17th, 2011 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	2009-018	050.050.01100.0000	Swimming pool removed	15-Nov-2009	(21.30)					(21.30)
2	C	2009-023	010.120.11300.0000	Building Demolition (Loblaws)	1-Feb-2009	(62,668.34)	(659.65)				(63,327.99)
3	C	2009-033	050.120.12700.0000	Property should be exempt	1-Jan-2009	0.00					0.00
4	C	2009-034	050.120.12800.0000	Property should be exempt	1-Jan-2009	0.00					0.00
5	R	2009-035	010.021.00900.0000	Building uninhabitable	1-Jan-2009	(3,325.17)					(3,325.17)
6	I	2009-036	010.010.01285.0000	Class change - change of use	1-Jan-2009	(1,221.64)	(16.45)				(1,238.09)
TOTALS						(67,236.45)	(676.10)	0.00	0.00	0.00	(67,912.55)
Municipal Portion - 2009						(37,925.90)	(676.10)	0.00	0.00	0.00	(38,602.00)
Education Portion - 2009						(29,310.55)					(29,310.55)
						(67,236.45)	(676.10)	0.00	0.00	0.00	(67,912.55)
Commercial/Industrial and Residential Split										%	
Commercial/Industrial Portion						(63,889.98)					95.00%
Residential Portion						(3,346.47)					5.00%
						(67,236.45)					100.00%

Appendix A – 2

City of Peterborough Tax Appeals under Section 358 of the <i>Municipal Act</i>, 2001 Appeal Hearing: November 17th, 2011 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	C/R	2010-018	060.001.42210.0000	Commercial unit removed	1-Jan-2010	(200.38)					(200.38)
2	R	2010-023	050.100.08300.0000	Building razed by fire	30-Dec-2010	(4.02)					(4.02)
3	C	2010-024	030.140.09110.0000	Building demolished	1-Sep-2010	(10,072.28)					(10,072.28)
4	C	2010-026	050.120.12710.0000	City purchase - remove PIL	1-Jan-2010	0.00					0.00
5	C	2010-027	050.120.12800.0000	City purchase - remove PIL	1-Jan-2010	0.00					0.00
6	C	2010-028	010.120.14002.0000	Building demolished	1-Sep-2010	(1,334.27)	(27.86)				(1,362.13)
7	R	2010-029	010.021.00900.0000	Building uninhabitable	1-Jan-2010	(3,767.60)					(3,767.60)
8	I	2010-032	010.010.01285.0000	Incorrect Tax Class	1-Jan-2010	(1,062.74)	(17.54)				(1,080.28)
9	R	2010-034	030.010.11800.0000	Building demolished	1-Oct-2010	(118.96)					(118.96)
TOTALS						(16,560.25)	(45.40)	0.00	0.00	0.00	(16,605.65)
Municipal Portion - 2010						(10,186.07)	(45.40)	0.00	0.00	0.00	(10,231.47)
Education Portion - 2010						(6,374.18)					(6,374.18)
						(16,560.25)	(45.40)	0.00	0.00	0.00	(16,605.65)
Commercial/Industrial and Residential Split										%	
Commercial/Industrial Portion						(12,669.67)				76.50%	
Residential Portion						(3,890.58)				23.50%	
						(16,560.25)				100.00%	

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City of Peterborough Tax Appeals under Section 357 of the <i>Municipal Act</i>, 2001 Appeal Hearing: November 17th, 2011 For taxes levied 2011												
Seq	Assmt Type	Appeal Number	Roll Number	Reason	Effective Date	Tax on Assessment	Capping Adj	Heritage Tax Credit	Senior Tax Credit	BIA	Total	
		2011										
1	R	2011-001	050.100.08300.0000	Building razed by fire	1-Jan-2011	(743.49)					(743.49)	
2	R	2011-002	050.020.11000.0000	Property became 'exempt'	1-Jan-2011	(2,081.88)					(2,081.88)	
3	C	2011-003	050.120.12710.0000	City purchase - remove PIL	1-Jan-2011	0.00					0.00	
4	C	2011-004	050.120.12800.0000	City purchase - remove PIL	1-Jan-2011	0.00					0.00	
5	R	2011-005	020.070.04323.0000	Pool filled in	1-Jan-2011	(188.88)					(188.88)	
6	C	2011-006	040.110.00600.0000	Commercial unit removed	1-Jan-2011	(1,074.74)	(11.74)				(1,086.48)	
7	R	2011-007	020.010.50500.0000	Pool filled in	1-Jan-2011	(134.11)					(134.11)	
8	R	2011-008	010.021.00900.0000	Building Uninhabitable	1-Jan-2011	(4,166.14)					(4,166.14)	
9	C	2011-009	030.030.10700.0000	Commercial unit removed	1-Apr-2011	(584.91)					(584.91)	
10	C	2011-010	010.130.22302.0000	Property became 'exempt'	1-Jan-2011	(5,642.38)					(5,642.38)	
11	C	2011-011	010.120.14002.0000	Building Demolished	1-Jan-2011	(4,610.61)	(186.76)				(4,797.37)	
12	R	2011-012	050.020.11000.0000	Property became 'exempt'	1-Jan-2011	(2,083.07)					(2,083.07)	
13	C	2011-013	010.010.01274.0000	Building razed by fire	11-Jun-2011	(1,332.40)	(20.88)				(1,353.28)	
14	C	2011-014	010.010.01271.0000	Building razed by fire	11-Jun-2011	(1,135.54)	(17.63)				(1,153.17)	
15	C	2011-015	010.010.01267.0000	Building razed by fire	11-Jun-2011	(1,291.31)	(19.75)				(1,311.06)	
16	R	2011-016	060.001.37900.0000	Pool filled in	1-Aug-2011	(94.51)					(94.51)	
17	C	2011-019	010.010.01269.0000	Building razed by fire	11-Jun-2011	(1,230.73)					(1,230.73)	
18	C	2011-020	010.010.01266.0000	Building razed by fire	11-Jun-2011	(1,387.92)	(20.40)				(1,408.32)	
19	R	2011-021	020.010.12828.0000	Pool filled in	1-Jan-2011	(188.82)					(188.82)	
20	C	2011-022	010.010.01270.0000	Building razed by fire	11-Jun-2011	(1,135.54)	(17.68)				(1,153.22)	
21	C	2011-023	010.010.01265.0000	Building razed by fire	11-Jun-2011	(1,251.63)	(18.65)				(1,270.28)	
22	I	2011-024	010.010.01285.0000	Incorrect Class - change in use	1-Jan-2011	(698.10)	(4.64)				(702.74)	
23	R	2011-026	030.010.11800.0000	Building Demolished	1-Jan-2011	(3,184.36)					(3,184.36)	
TOTALS												
							(34,241.07)	(318.13)	0.00	0.00	0.00	(34,559.20)
							(22,812.99)	(318.13)	0.00	0.00	0.00	(23,131.12)
							(11,428.08)					(11,428.08)
							(34,241.07)	(318.13)	0.00	0.00	0.00	(34,559.20)
Commercial/Industrial and Residential Split												
										%		
							(21,375.81)				62.40%	
							(12,865.26)				37.60%	
							(34,241.07)				100.00%	