



## City of Peterborough

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**TO:** Members of the Audit Committee

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

**MEETING DATE:** June 24, 2013

**SUBJECT:** Report CPFS13-029  
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, 357, 358 and 359 of the *Municipal Act, 2001*.

### **RECOMMENDATIONS**

That Council approve the recommendations outlined in Report CPFS13-029 dated June 24, 2013, of the Director of Corporate Services as follows:

- a) That tax reductions in the amount of \$148,518.64, calculated in accordance with Sections 357, 358 and 359 of the *Municipal Act, 2001* and attached to report CPFS13-029 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 Section 357, 358 and 359 Tax appeals, the total net amount to be written off is \$148,518.64. This write-off amount is comprised of a \$55,028.31 education portion, which will be charged back to the local school boards, and a \$93,490.33 municipal portion that will be charged to the tax write-off account which has a 2013 budget amount of \$844,000. In addition, \$460.47 will be charged back to the capping adjustment account and \$68.30 will be 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 includes 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 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 City Board Room on December 14, 2012. MPAC did not recommend any changes for these applications.

The listings attached to this Report CPFS13-029 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**

<b>Year</b>	<b>Taxes</b>	<b>Capping Adjustment</b>	<b>BIA Adjustment</b>	<b>Total</b>
2010	37,845.78	45.40	0.00	37,891.18
2011	75,395.18	415.07	68.30	75,878.55
2012	35,277.68	0.00	0.00	35,277.68
<b>TOTAL</b>	<b>148,518.64</b>	<b>460.47</b>	<b>68.30</b>	<b>149,047.41</b>

In addition to the tax adjustments summarized in Chart 1, there were 48 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 and 358 of the *Municipal Act, 2001*

Appendix A - 1

**City of Peterborough  
Tax Appeals under Section 358 of the Municipal Act, 2001  
Appeal Hearing: December 14, 2012  
For taxes levied 2010**

Seq	Assmt Type	Appeal Number	Roll Number	Reason	Effective Date	Tax on Assessment	Capping Adj	BIA	Total
1	C/R	<u>2010</u> 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)
10	C	2012-025	010.130.05240.0000	class change - Ind to Comm	15-Mar-2010	(21,285.53)			(21,285.53)
<b>TOTALS</b>						<b>(37,845.78)</b>	<b>(45.40)</b>	<b>0.00</b>	<b>(37,891.18)</b>
Municipal Portion - 2010						(21,901.63)	(45.40)	0.00	(21,947.03)
Education Portion - 2010						(15,944.15)			(15,944.15)
						<b>(37,845.78)</b>	<b>(45.40)</b>	<b>0.00</b>	<b>(37,891.18)</b>
<b>Municipal and Education Split</b>								%	
Municipal						(21,901.63)		57.90%	
Education						(15,944.15)		42.10%	
								<b>100.00%</b>	
<b>Commercial/Industrial and Residential Split</b>								%	
Commercial/Industrial Portion						(33,955.20)		89.70%	
Residential Portion						(3,890.58)		10.30%	
						<b>(37,845.78)</b>		<b>100.00%</b>	

Appendix A – 2

**City of Peterborough  
Tax Appeals under Section 357 of the Municipal Act, 2001  
Appeal Hearing: December 14, 2012  
For taxes levied 2011**

Seq	Assmt Type	Appeal Number	Roll Number	Reason	Effective Date	Tax on Assessment	Capping Adj	BIA	Total
		<b>2011</b>							
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)

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**City of Peterborough  
Tax Appeals under Section 357 of the *Municipal Act, 2001*  
Appeal Hearing: December 14, 2012**

For taxes levied 2011

Seq	Assmt Type	Appeal Number	Roll Number	Reason	Effective Date	Tax on Assessment	Capping Adj	BIA	Total
21	C	<u>2011</u> 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	1-Jan-2011	(698.10)	(4.64)		(702.74)
23	C	2011-025	010.130.05240.0000	Class change - ind to comm	1-Jan-2011	(21,285.53)			(21,285.53)
24	R	2011-026	030.010.11800.0000	Building Demolished	1-Jan-2011	(3,184.36)			(3,184.36)
25	C	2011-027	020.020.04410.0000	Land became vacant	1-Jan-2011	(4,917.53)			(4,917.53)
26	C	2011-030	010.120.07500.0000	No longer used as industrial	3-Aug-2011	(7,180.57)			(7,180.57)
27	C	2011-031	050.060.03201.0000	Remove building	27-Jul-2011	(6,497.88)	(96.94)	(68.30)	(6,594.82)
28	C	2011-033	040.100.02800.0000	Class change - comm to res	1-Sep-2011	(620.05)			(688.35)
29	C	2011-035	030.090.15500.0000	Class/zoning change	7-Mar-2011	(316.93)			(316.93)
30	R	2011-032	020.070.03048.0000	Property became 'exempt'	31-Aug-2011	(335.62)			(335.62)
<b>TOTALS</b>						<b>(75,395.18)</b>	<b>(415.07)</b>	<b>(68.30)</b>	<b>(75,878.55)</b>
				<b>Municipal Portion - 2011</b>		<b>(46,721.79)</b>	<b>(415.07)</b>	<b>(68.30)</b>	<b>(47,205.16)</b>
				<b>Education Portion - 2011</b>		<b>(28,673.39)</b>			<b>(28,673.39)</b>
				<b>Municipal and Education Split</b>		<b>(75,395.18)</b>	<b>(415.07)</b>	<b>(68.30)</b>	<b>(75,878.55)</b>
				Municipal		(46,721.79)		%	
				Education		(28,673.39)		62.00%	
								38.00%	
								<b>100.00%</b>	
								%	
						(62,194.30)		82.50%	
				<b>Commercial/Industrial and Residential Split</b>		<b>(13,200.88)</b>		17.50%	
				Commercial/Industrial Portion		(13,200.88)			
				Residential Portion		<b>(75,395.18)</b>		<b>100.00%</b>	



Appendix A – 3

**City of Peterborough  
Tax Appeals under Sections 357 of The Municipal Act, 2001  
Appeal Hearing: December 14, 2012**  
For taxes levied 2012

Seq	Assmt Type	Appeal Number	Roll Number	Reason	Effective Date	Tax on Assessment	Capping Adj	BIA	Total	
1	I	<u>2012</u> 2012-003	010.120.09402	property now tax exempt	1-Jan-2012	(4,821.46)			(4,821.46)	
2	I	2012-004	010.130.22307	property now tax exempt	1-Jan-2012	(5,122.80)			(5,122.80)	
3	R	2012-005	050.120.02711	filled in inground pool	1-Jan-2012	(179.13)			(179.13)	
4	R	2012-006	050.020.01100	property now tax exempt	1-Jan-2012	(1,308.99)			(1,308.99)	
5	R	2012-007	050.090.13400	no longer commercial	6-Jan-2012	(1,739.40)			(1,739.40)	
6	R	2012-008	050.020.12300	property now tax exempt	22-Jun-2012	(1,213.41)			(1,213.41)	
7	R	2012-009	050.020.21300	property now tax exempt	29-Jun-2012	(1,155.39)			(1,155.39)	
8	R	2012-010 A,B	040.080.00800	A) Fire B) Demolition	28-Apr-2012	(1,624.55)			(1,624.55)	
9	R	2012-011	050.020.12200	property now tax exempt	24-May-2012	(1,562.89)			(1,562.89)	
10	R	2012-013	050.070.026100	fire at property	18-Jul-2012	(12,882.22)			(12,882.22)	
11	C	2012-001	040.190.13600	comm hold zone symbol removed	1-Jan-2012	(3,667.44)			(3,667.44)	
<b>TOTALS</b>							<b>(35,277.68)</b>	<b>0.00</b>	<b>0.00</b>	<b>(35,277.68)</b>
							<b>(24,866.91)</b>	<b>0.00</b>	<b>0.00</b>	<b>(24,866.91)</b>
							<b>(10,410.77)</b>			<b>(10,410.77)</b>
							<b>(35,277.68)</b>	<b>0.00</b>	<b>0.00</b>	<b>(35,277.68)</b>
									%	
							(24,866.91)		70.50%	
							(10,410.77)		29.50%	
									<b>100.00%</b>	
									%	
							(15,351.10)		43.50%	
							(19,926.58)		56.50%	
							<b>(35,277.68)</b>		<b>100.00%</b>	
							<b>Municipal and Education Split</b>			
							Municipal			
							Education			
							<b>Commercial/Industrial and Residential Split</b>			
							Commercial/Industrial Portion			
							Residential Portion			