



City of
Peterborough

To: Members of the Audit Committee

From: Sandra Clancy, Director of Corporate Services

Meeting Date: June 23, 2014

**Subject: Report CPFS14-017
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 and Tax Appeals under Sections 357, 358 and 359 of the **Municipal Act, 2001**.

Recommendations

That Council approve the recommendations outlined in report CPFS14-017 dated June 23, 2014, of the Director of Corporate Services as follows:

- a) That tax reductions in the amount of \$276,003.10, calculated in accordance with Sections 357, 358 and 359 of the **Municipal Act, 2001** and attached to report CPFS14-017 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 \$276,003.10. This amount was comprised of \$106,280.58, which was charged back to the local school boards, and the \$170,022.47 municipal portion that was charged to the \$896,400 tax write-off provision provided for in the 2013 Operating Budget. In addition,

\$502.81 was credited back to the capping adjustment account and \$202.86 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 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. There were three different hearings held in 2013. Applicants had an opportunity to question any of the adjustments at their specific hearing, held in the City Board Room on May 10, September 27 and December 5, 2013. MPAC did not recommend any changes for these applications.

The listings attached to this report CPFS14-017 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

Year	Taxes	Capping Adjustment	BIA Adjustment	Total
2010	\$81,940.32	(\$534.81)	\$0.00	\$81,405.51
2011	\$86,453.17	\$14.59	\$0.00	\$86,467.76
2012	\$29,165.78	\$17.36	\$202.86	\$29,386.00
2013	\$78,743.78	\$0.05	\$0.00	\$78,743.83
TOTAL	\$276,303.05	(\$502.81)	\$202.86	\$276,003.10

In addition to the tax adjustments summarized in Chart 1, there were 42 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**

City of Peterborough

Tax Appeals under Sections 357, 358, 359 of the Municipal Act, 2001

Appeal Hearing: May 10, 2013

For taxes levied 2010

Seq	Assmt Type	Appeal Number	Reason	Effective Date	Tax on Assessment	Capping Adj	BIA	Total
		2010						
1	R	2010-031A	gross manifest error	1-Jan-2010	143.03			143.03
2	R	2010-040	gross manifest error	1-Jan-2010	834.05			834.05
3	R	2010-042	gross manifest error	1-Jan-2010	162.17			162.17
4	C	2010-044	gross manifest error	1-Jan-2010	53,841.16			53,841.16
5	C	2010-045	gross manifest error	1-Jan-2010	1,347.58			1,347.58
6	C	2010-046	gross manifest error	1-Jan-2010	(443.81)	(549.77)		(993.58)
7	R	2010-047	demolition	21-Apr-2010	1,398.38			1,398.38
TOTALS			TOTALS		57,282.56	(549.77)	0.00	56,732.79
Municipal Portion - 2010					33,023.19	(549.77)	0.00	32,473.42
Education Portion - 2010					24,259.37			24,259.37
					57,282.56	(549.77)	0.00	56,732.79
Municipal and Education Split							%	
Municipal					33,023.19		57.60%	
Education					24,259.37		42.40%	
							100.00%	
Commercial/Industrial and Residential Split							%	
Commercial/Industrial Portion					54,744.93		95.60%	
Residential Portion					2,537.63		4.40%	
					57,282.56		100.00%	

City of Peterborough

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

Appeal Hearing: May 10, 2013

For taxes levied 2011

Seq	Assmt Type	Appeal Number	Reason	Effective Date	Tax on Assessment	Capping Adj	BIA	Total
1	R	<u>2011</u> 2011-044	demolition	1-Jan-2011	2,028.31			2,028.31
2	R	2012-03B	gross manifest error	1-Jan-2011	146.91			146.91
3	C	2011-040	gross manifest error	1-Jan-2011	61,491.66			61,491.66
4	C	2011-042	gross manifest error	1-Jan-2011	(469.66)			(469.66)
5	C	2011-041	gross manifest error	1-Jan-2011	1,460.36			1,460.36
6	C	2011-043	class change	1-Jan-2011	19,031.90			19,031.90
7	R	2011-039	gross manifest error	1-Jan-2011	163.27			163.27
TOTALS					83,852.75	0.00	0.00	83,852.75
Municipal Portion - 2011					47,968.14	0.00	0.00	47,968.14
Education Portion - 2011					35,884.61			35,884.61
					83,852.75	0.00	0.00	83,852.75
Municipal and Education Split							%	
Municipal					47,968.14		57.20%	
Education					35,884.61		42.80%	
							100.00%	
Commercial/Industrial and Residential Split							%	
Commercial/Industrial Portion					81,514.26		97.20%	
Residential Portion					2,338.49		2.80%	
					83,852.75		100.00%	

City of Peterborough

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

Appeal Hearing: May 10, 2013

For taxes levied 2012

Seq	Assmt Type	Appeal Number	Reason	Effective Date	Tax on Assessment	Capping Adj	BIA	Total
1	R	<u>2012</u> 2012-019	demolition	1-Jan-2012	1,376.89			1,376.89
2	R	2012.017	no longer used for commercial	1-Jan-2012	1,154.51			1,154.51
3	R	2012-016	filled in pool	1-Jan-2012	68.66			68.66
4	C	2012-018	change of class	1-Jan-2012	12,994.82			12,994.82
5	R	2012-012	gross manifest error	1-Jan-2012	305.52			305.52
TOTALS					15,900.40	0.00	0.00	15,900.40
Municipal Portion - 2012					9,762.61	0.00	0.00	9,762.61
Education Portion - 2012					6,137.79			6,137.79
					15,900.40	0.00	0.00	15,900.40
Municipal and Education Split							%	
Municipal					9,762.61		61.40%	
Education					6,137.79		38.60%	
							100.00%	
Commercial/Industrial and Residential Split							%	
Commercial/Industrial Portion					12,994.82		81.70%	
Residential Portion					2,905.58		18.30%	
					15,900.40		100.00%	

City of Peterborough
Tax Appeals under Sections 357, 358 of the Municipal Act, 2001
Appeal Hearing: September 27, 2013
 For taxes levied 2010

Seq	Assmt Type	Appeal Number	Reason	Effective Date	Tax on Assessment	Capping Adj	BIA	Total
1	C	<u>2010</u> 2010-044	gross manifest error	1-Jan-2010	22,029.20			22,029.20
TOTALS					22,029.20	0.00	0.00	22,029.20
Municipal Portion - 2012					12,435.48	0.00	0.00	12,435.48
Education Portion - 2012					9,593.72			9,593.72
					22,029.20	0.00	0.00	22,029.20
Municipal and Education Split							%	
Municipal					12,435.48		56.40%	
Education					9,593.72		43.60%	
							100.00%	
Commercial/Industrial and Residential Split							%	
Commercial/Industrial Portion					22,029.20		100.00%	
Residential Portion					0.00		0.00%	
					22,029.20		100.00%	

City of Peterborough

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

Appeal Hearing: September 27, 2013

For taxes levied 2012

Seq	Assmt Type	Appeal Number	Reason	Effective Date	Tax on Assessment	Capping Adj	BIA	Total
		2012						
1	R	2012-007	property became exempt	20-Dec-2012	114.56			114.56
2	R	2012-015	property unuseable	15-Jun-2012	3,250.36			3,250.36
3	R	2012-020	property became exempt	13-Apr-2012	1,662.20			1,662.20
4	R	2012-021	property became exempt	1-Jan-2012	502.57			502.57
5	R	2012-022	property became exempt	4-Jan-2012	635.00			635.00
6	R	2012-023	property became exempt	1-Jan-2012	392.42			392.42
7	C	2012-025	demolition	1-Jan-2012	2,858.65		202.86	3,061.51
TOTALS					9,415.76	0.00	202.86	9,618.62
Municipal Portion - 2012					7,090.86	0.00	202.86	7,293.72
Education Portion - 2012					2,324.90			2,324.90
					9,415.76	0.00	202.86	9,618.62
Municipal and Education Split							%	
Municipal					7,090.86		75.30%	
Education					2,324.90		24.70%	
							100.00%	
Commercial/Industrial and Residential Split							%	
Commercial/Industrial Portion					2,858.65		30.40%	
Residential Portion					6,557.11		69.60%	
					9,415.76		100.00%	

Appendix A - 6

City of Peterborough
Tax Appeals under Sections 357, 358 of the Municipal Act, 2001
Appeal Hearing: September 27, 2013
 For taxes levied 2013

Seq	Assmt Type	Appeal Number	Reason	Effective Date	Tax on Assessment	Capping Adj	BIA	Total
		2013						
1	R	2013-002	property demolished	1-Jan-2013	6,071.03			6,071.03
2	R	2013-004	city owned property	1-Jan-2013	70.24			70.24
3	R	2013-005	city owned property	1-Jan-2013	719.76			719.76
4	C	2013-008	city owned property	1-Jan-2013	3,039.46			3,039.46
5	R	2013-010	city owned property	1-Jan-2013	15.31			15.31
6	R	2013-012	city owned property	1-Jan-2013	115.44			115.44
7	C	2013-013	city owned property	1-Jan-2013	22,358.01			22,358.01
8	I	2013-014	city owned property	1-Jan-2013	3,599.18			3,599.18
9	I	2013-015	city owned property	1-Jan-2013	855.86			855.86
10	R	2013-016	city owned property	1-Jan-2013	83.45			83.45
11	R	2013-017	city owned property	1-Jan-2013	1,290.01			1,290.01
12	R	2013-019	city owned property	1-Jan-2013	747.58			747.58
13	C	2013-022	gas bar unuseable	1-Jan-2013	901.54			901.54
14	C	2013-025	property demolished	6-Apr-2013	4,110.60			4,110.60
15	R	2013-027	city owned property	1-Jan-2013	481.58			481.58
16	R	2013-028	city owned property	1-Jan-2013	660.65			660.65
17	R	2013-029	city owned property	1-Jan-2013	568.51			568.51
18	R	2013-030	city owned property	1-Jan-2013	587.63			587.63
19	R	2013-031	city owned property	1-Jan-2013	408.56			408.56
20	C	2013-033	no longer commercial	1-Jan-2013	4,353.20			4,353.20
21	R	2013-034	city owned property	1-Jan-2013	3,737.89			3,737.89
22	R	2013-035	city owned property	1-Jan-2013	4,203.82			4,203.82
23	R	2013-036	city owned property	1-Jan-2013	3,711.31			3,711.31
24	C	2013-038	property demolished	4-Jun-2013	2,369.21			2,369.21
TOTALS					65,059.83	0.00	0.00	65,059.83
Municipal Portion - 2013					43,174.47	0.00	0.00	43,174.47
Education Portion - 2013					21,885.36			21,885.36
					65,059.83	0.00	0.00	65,059.83
Municipal and Education Split								
Municipal					43,174.47		%	66.40%
Education					21,885.36			33.60%
								100.00%
Commercial/Industrial and Residential Split								
Commercial/Industrial Portion					41,587.06		%	63.90%
Residential Portion					23,472.77			36.10%
					65,059.83			100.00%

City of Peterborough

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

Appeal Hearing: December 5, 2013

For taxes levied 2010

Seq	Assmt Type	Appeal Number	Reason	Effective Date	Tax on Assessment	Capping Adj	BIA	Total
1	C	<u>2010</u> 2010-041	incorrect class	1-Jan-2010	2,628.56	14.96		2,643.52
TOTALS					2,628.56	14.96	0.00	2,643.52
Municipal Portion - 2010					1,483.82	14.96	0.00	1,498.78
Education Portion - 2010					1,144.74			1,144.74
					2,628.56	14.96	0.00	2,643.52
Municipal and Education Split							%	
Municipal					1,483.82		56.40%	
Education					1,144.74		43.60%	
							100.00%	
Commercial/Industrial and Residential Split							%	
Commercial/Industrial Portion					2,628.56		100.00%	
Residential Portion					0.00		0.00%	
					2,628.56		100.00%	

City of Peterborough
Tax Appeals under Sections 357, 358 of the Municipal Act, 2001
Appeal Hearing: December 5, 2013
 For taxes levied 2011

Seq	Assmt Type	Appeal Number	Reason	Effective Date	Tax on Assessment	Capping Adj	BIA	Total
1	C	<u>2011</u> 2011-038	incorrect class	1-Jan-2011	2,600.42	14.59		2,615.01
TOTALS					2,600.42	14.59	0.00	2,615.01
Municipal Portion - 2011					1,467.94	14.59	0.00	1,482.53
Education Portion - 2011					1,132.48			1,132.48
					2,600.42	14.59	0.00	2,615.01
Municipal and Education Split							%	
Municipal					1,467.94		56.50%	
Education					1,132.48		43.50%	
							100.00%	
Commercial/Industrial and Residential Split							%	
Commercial/Industrial Portion					2,600.42		100.00%	
Residential Portion					0.00		0.00%	
					2,600.42		100.00%	

City of Peterborough

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

Appeal Hearing: December 5, 2013

For taxes levied 2012

Seq	Assmt Type	Appeal Number	Reason	Effective Date	Tax on Assessment	Capping Adj	BIA	Total
		2012						
1	C	2012-014	incorrect class	1-Jan-2012	2,578.98	12.44		2,591.42
2	R	2012-024	removed inground pool	1-Sep-2012	64.25			64.25
3	C	2012-026	change in class	1-Jan-2012	607.79	4.92		612.71
4	R	2012-029	demolition	1-Mar-2012	598.60			598.60
TOTALS					3,849.62	17.36	0.00	3,866.98
Municipal Portion - 2012					2,352.61	17.36	0.00	2,369.97
Education Portion - 2012					1,497.01			1,497.01
					3,849.62	17.36	0.00	3,866.98
Municipal and Education Split							%	
Municipal					2,352.61		61.10%	
Education					1,497.01		38.90%	
							100.00%	
Commercial/Industrial and Residential Split							%	
Commercial/Industrial Portion					3,186.77		82.80%	
Residential Portion					662.85		17.20%	
					3,849.62		100.00%	

Appendix A – 10

City of Peterborough
Tax Appeals under Sections 357, 358 of the Municipal Act, 2001
Appeal Hearing: December 5, 2013
 For taxes levied 2013

Seq	Assmt Type	Appeal Number	Reason	Effective Date	Tax on Assessment	Capping Adj	BIA	Total
2013								
1	R	2013-018	building demolished	15-Feb-2013	1,377.88			1,377.88
2	R	2013-020	building fire	1-Jan-2013	1,098.52			1,098.52
3	R	2013-021	removed pool	1-Jan-2013	191.24			191.24
4	R	2013-023	city owned property	1-Jan-2013	3,118.96			3,118.96
5	R	2013-026	demolition	1-Jan-2013	778.87			778.87
6	R	2013-032	removed inground pool	10-May-2013	84.59			84.59
7	R	2013-037	remove pool	7-Jun-2013	94.76			94.76
8	R	2013-039	property became exempt	15-Mar-2013	2,450.66			2,450.66
9	R	2013-041	building demolished	15-Aug-2013	356.90			356.90
10	R	2013-043	filled in pool	3-Sep-2013	56.67			56.67
11	R	2013-044	removed pool	25-Sep-2013	45.71			45.71
12	C	2013-046A	class change	1-Jan-2013	616.14	0.05		616.19
13	R	2013-046	property became exempt	21-Aug-2013	994.60			994.60
14	R	2013-047	city owned property	30-Aug-2013	784.36			784.36
15	R	2013-048	removed pool	18-Oct-2013	34.70			34.70
16	R	2013-050	property became exempt	13-Aug-2013	824.73			824.73
17	R	2013-051	property became exempt	12-Nov-2013	520.14			520.14
18	R	2013-053	property became exempt	1-Jan-2013	254.52			254.52
TOTALS					13,683.95	0.05	0.00	13,684.00
Municipal Portion - 2013					11,263.35	0.05	0.00	11,263.40
Education Portion - 2013					2,420.60			2,420.60
					13,683.95	0.05	0.00	13,684.00
Municipal and Education Split							%	
Municipal					11,263.35		82.30%	
Education					2,420.60		17.70%	
							100.00%	
Commercial/Industrial and Residential Split							%	
Commercial/Industrial Portion					616.14		4.50%	
Residential Portion					13,067.81		95.50%	
					13,683.95		100.00%	