



City of Peterborough

To: Members of the Audit Committee

From: Sandra Clancy, Director of Corporate Services

Meeting Date: June 22, 2015

Subject: Report CPFS15-032
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 CPFS15-032 dated June 22, 2015, of the Director of Corporate Services as follows:

- a) That tax reductions in the amount of \$86,026.00, calculated in accordance with Sections 357, 358 and 359 of the **Municipal Act, 2001** and attached to report CPFS15-032 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 \$86,026.00. This amount was comprised of \$28,059.85, which was charged back to the local school boards, and the \$55,601.75 municipal portion that was charged to the \$1,300,000 tax write-off provision provided for in the 2014 Operating Budget. In addition, \$14.98 was charged back to the capping adjustment account and \$2,349.42 was charged back to the Downtown Business Improvement account.

There are no budget implications with the Section 356 land apportionments.

Background

Based upon report CPF15-042 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 two different hearings held in 2014. Applicants had an opportunity to question any of the adjustments at their specific hearings held at City Hall on July 8 and September 23, 2014. MPAC did not recommend any changes for these applications.

The listings attached to this report CPF15-032 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
2011	\$1,715.43	\$0.00	\$0.00	\$1,715.43
2012	\$1,721.11	\$0.00	\$0.00	\$1,721.11
2013	\$32,426.64	\$14.98	\$2,349.42	\$34,791.04
2014	\$47,798.42	\$0.00	\$0.00	\$47,798.42
Total	\$83,661.60	\$14.98	\$2,349.42	\$86,026.00

In addition to the tax adjustments summarized in Chart 1, there were 30 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 of the Municipal Act, 2001
Appeal Hearing: July 8, 2014
For taxes levied 2011

Seq	Assmt Type	Appeal Number	Reason	Tax on Assmt	Capping Adj	Heritage Tax Credit	Senior Tax Credit	BIA	Total
1	R	<u>2011</u> 2011-045	Gross & Manifest Error	(1,715.43)					(1,715.43)
TOTALS				(1,715.43)	0.00	0.00	0.00	0.00	(1,715.43)
Municipal Portion - 2011				(1,432.90)	0.00	0.00	0.00	0.00	(1,432.90)
Education Portion - 2011				(282.53)					(282.53)
				(1,715.43)	0.00	0.00	0.00	0.00	(1,715.43)
Municipal and Education Split								%	
Municipal				(1,432.90)				83.50%	
Education				(282.53)				16.50%	
								100.00%	
Commercial/Industrial and Residential Split								%	
Commercial/Industrial Portion				0.00				0.00%	
Residential Portion				(1,715.43)				100.00%	
				(1,715.43)				100.00%	

City of Peterborough
Tax Appeals under Sections 357, 358 of the Municipal Act, 2001
Appeal Hearing: July 8, 2014
 For taxes levied 2012

Seq	Assmt Type	Appeal Number	Reason	Tax on Assmt	Capping Adj	Heritage Tax Credit	Senior Tax Credit	BIA	Total
1	R	<u>2012</u> 2012-028	Gross & Manifest Error	(1,721.11)					(1,721.11)
TOTALS				(1,721.11)	0.00	0.00	0.00	0.00	(1,721.11)
Municipal Portion - 2012				(1,437.64)	0.00	0.00	0.00	0.00	(1,437.64)
Education Portion - 2012				(283.47)					(283.47)
				(1,721.11)	0.00	0.00	0.00	0.00	(1,721.11)
Municipal and Education Split								%	
Municipal				(1,437.64)				83.50%	
Education				(283.47)				16.50%	
								100.00%	
Commercial/Industrial and Residential Split								%	
Commercial/Industrial Portion				0.00				0.00%	
Residential Portion				(1,721.11)				100.00%	
				(1,721.11)				100.00%	

City of Peterborough

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

Appeal Hearing: July 8, 2014

For taxes levied 2013

Seq	Assmt Type	Appeal Number	Reason	Tax on Assessment	Capping Adj	BIA	Total
		2013					
1	I	2013-040	Change of Class (from IT to CT)	(1,804.36)			(1,804.36)
2	R	2013-049	Removed Inground Pool	(71.39)			(71.39)
3	C	2013-052	Property Became Exempt	(3,743.50)			(3,743.50)
4	R	2013-054	Property Became Exempt	(445.64)			(445.64)
5	C/R	2013-055	Property Became Exempt	(1,724.66)			(1,724.66)
6	R	2013-057	Property Became Exempt	(520.13)			(520.13)
7	I	2013-061	IT Ceases to Exist	(142.61)			(142.61)
8	C	2013-062	Change of Class (from CT to RT)	(13,804.42)		(1,712.13)	(15,516.55)
9	C/R	2013-065	Structure Demolished	(1,047.59)		(40.62)	(1,088.21)
10	C	2013-066	Structure Demolished - Change in Use	(6,418.07)	(14.98)	(439.89)	(6,872.94)
11	C	2013-067	Structure Demolished - Change in Use	(2,287.41)		(156.78)	(2,444.19)
TOTALS				(32,009.78)	(14.98)	(2,349.42)	(34,374.18)
Municipal Portion - 2013				(19,058.87)	(14.98)	(2,349.42)	(21,423.27)
Education Portion - 2013				(12,950.91)			(12,950.91)
				(32,009.78)	(14.98)	(2,349.42)	(34,374.18)
Municipal and Education Split						%	
Municipal				(19,058.87)		59.50%	
Education				(12,950.91)		40.50%	
						100.00%	
Commercial/Industrial and Residential Split						%	
Commercial/Industrial Portion				(28,504.45)		89.00%	
Residential Portion				(3,505.33)		11.00%	
				(32,009.78)		100.00%	

City of Peterborough

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

Appeal Hearing: July 8, 2014

For taxes levied 2014

Seq	Assmt Type	Appeal Number	Reason	Tax on Assmt	Capping Adj	Heritage Tax Credit	Senior Tax Credit	BIA	Total
		2014							
1	R	2014-001	Property Became Exempt	(1,834.02)					(1,834.02)
2	R	2014-002	Property Became Exempt	(3,937.11)					(3,937.11)
3	C/R	2014-004	Property Became Exempt	(10,544.70)					(10,544.70)
4	R	2014-005	Building Demolished	(1,043.83)					(1,043.83)
5	R	2014-009	Pool Removed	(277.76)					(277.76)
6	C	2014-010	Change in Class (CT to RT)	(15,405.90)					(15,405.90)
TOTALS				(33,043.32)	0.00	0.00	0.00	0.00	(33,043.32)
Municipal Portion - 2013				(20,999.20)	0.00	0.00	0.00	0.00	(20,999.20)
Education Portion - 2013				(12,044.12)					(12,044.12)
				(33,043.32)	0.00	0.00	0.00	0.00	(33,043.32)
Municipal and Education Split								%	
Municipal								63.60%	
Education								36.40%	
								100.00%	
Commercial/Industrial and Residential Split								%	
Commercial/Industrial Portion								73.80%	
Residential Portion								26.20%	
								100.00%	

City of Peterborough
Tax Appeals under Sections 357, 358 of the Municipal Act, 2001
Appeal Hearing: September 23, 2014
 For taxes levied 2013

Seq	Assmt Type	Appeal Number	Reason	Tax on Assessment	Capping Adj	BIA	Total
1	R	<u>2013</u> 2013-058	City owned	(390.40)			(390.40)
2	R	2013-059	City owned	(13.23)			(13.23)
3	R	2013-060	City owned	(13.23)			(13.23)
TOTALS				(416.86)	0.00	0.00	(416.86)
Municipal Portion - 2013				(348.20)	0.00	0.00	(348.20)
Education Portion - 2013				(68.66)			(68.66)
				(416.86)	0.00	0.00	(416.86)
Municipal and Education Split						%	
Municipal				(348.20)		83.50%	
Education				(68.66)		16.50%	
						100.00%	
Commercial/Industrial and Residential Split						%	
Commercial/Industrial Portion				0.00		0.00%	
Residential Portion				(416.86)		100.00%	
				(416.86)		100.00%	

City of Peterborough

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

Appeal Hearing: September 23, 2014

For taxes levied 2014

Seq	Assmt Type	Appeal Number	Reason	Tax on Assmt	Capping Adj	Heritage Tax Credit	Senior Tax Credit	BIA	Total
		2014							
1	R	2014-011	Inground pool filled in	(177.71)					(177.71)
2	R	2014-012	Structures removed	(1,231.57)					(1,231.57)
3	R	2014-013	Structures removed	(1,085.53)					(1,085.53)
4	R	2014-014	Exempt - City owned	(1,506.73)					(1,506.73)
5	R	2014-016	Structures removed	(1,079.13)					(1,079.13)
6	R	2014-017	Exempt - City owned	(3,304.36)					(3,304.36)
7	R	2014-018	Exempt - City owned	(2,308.45)					(2,308.45)
8	R	2014-019	Exempt - City owned	(2,170.67)					(2,170.67)
9	R	2014-021	Structures removed	(875.29)					(875.29)
10	R	2014-023	Structures removed	(40.33)					(40.33)
11	R	2014-024	Exempt - City owned	(975.33)					(975.33)
TOTALS				(14,755.10)	0.00	0.00	0.00	0.00	(14,755.10)
Municipal Portion - 2013				(12,324.94)	0.00	0.00	0.00	0.00	(12,324.94)
Education Portion - 2013				(2,430.16)					(2,430.16)
				(14,755.10)	0.00	0.00	0.00	0.00	(14,755.10)
Municipal and Education Split								%	
Municipal								83.50%	
Education								16.50%	
								100.00%	
Commercial/Industrial and Residential Split								%	
Commercial/Industrial Portion								0.00%	
Residential Portion								100.00%	
								100.00%	