



Staff Report

Report No.: CPS-43-2018

Meeting Date: December 19, 2019

Submitted by: Melissa Kopal, Manager of Finance, Tiffany Farrell, Director of Corporate Services

Subject: Tax Adjustments under Section 357, 358 and 359 of the Municipal Act, 2001.

Recommendation:

THAT report CPS-53-2018 regarding tax adjustments made under Sections 357, 358 and 359 of the Municipal Act, 2001 be received; and

THAT taxes amounting to \$15,748.04 be written off pursuant to the provisions of Section 357, 358 and 359 of the Municipal Act, 2001.

Purpose:

The purpose of this report is to provide Council with the information with respect to the tax adjustments processed in 2018 related to the *Municipal Act, 2001*, Section 357, 358 and 359 which allows ratepayers to apply for a reduction of their assessment due to various reasons both physical and clerical. Since January 1, 2018 the municipality has written off \$32,920.12 taxes. Of this amount \$15,748.04 is the municipality's portion.

Background:

The Treasurer of a local municipality may reduce, cancel, or refund taxes under the *Municipal Act, 2001*, Section 357, 358 and 359. By-Law 2018-35 authorizes the Treasurer or his/her delegate to process tax adjustments under Section 357, 358 and 359 of the Municipal Act.

Middlesex Centre's approach is that adjustments would be made by the Treasurer or Manager of Finance (as her delegate) without bringing them to Council for approval as delegated under By-Law 2018-35. A report of Section 357, 358 and 359 adjustments will be brought to Council once a year for information purposes.

There have been numerous properties that have applied for a reduction of taxes to the Municipal Property Assessment Corporation (MPAC) under this legislation. Applications have been made by the owner and have been reviewed by MPAC to verify assessment values and taxation periods to be used for adjustment. There are various reasons for these tax adjustments such as property becoming exempt, buildings that have been demolished or razed by fire, tax class changes due to late applications of farm business numbers to Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) and properties that have been over assessed by a gross or manifest clerical error. These tax adjustments do not relate to collection issues.



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Analysis:

Twenty-eight (28) applications have been requested for the cancellation, reduction or refund of taxes for the current and prior tax years, under sections 357, 358 and 359 of the Municipal Act, 2001.

Twenty-seven (27) of the total applications requested a reduction in the assessment value due to a property that had been demolished or razed by fire. One (1) applicant requested a reduction for a classification change.

Financial Implications:

The amount of taxes written-off due to these applications to date in 2018 is \$32,920.12. The municipal portion of this amount is \$15,748.04 the County will assume \$10,634.63 and school boards will assume \$6,537.45.

Strategic Plans:

Financial: Maintain Financial Integrity