



Meeting Date: December 20, 2023

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

Report No: CPS-57-2023

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

Recommendation:

THAT Report CPS-57-2023 regarding tax adjustments made under Sections 357, 358 and 359 of the Municipal Act, 2001 be received;

AND THAT taxes amounting to \$71,752.85 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 2023 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, 2023, the municipality has written off \$71,752.85 taxes. Of this amount \$28,245.24 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 2022-041 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 2022-041. 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, properties that have become damaged or substantially unusable, and properties that have been over assessed by a gross or manifest clerical error. These tax adjustments do not relate to collection issues.

Analysis:

Twenty-five (25) applications have been approved 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. The reasons for the adjustments are as follows:

- Thirteen (13) applicants had a reduction due to a building or structure that had been demolished or razed by fire
- Six (6) applicants had a reduction due to becoming exempt from taxes
- Two (2) applicants had a reduction due to a gross or manifest clerical error
- Two (2) applicants had a reduction due to repairs or renovations
- Two (2) applicants had a reduction due to damaged by fire

All applicants have been sent Notices of Decisions and have given the right to appeal the decision to the Assessment Review Board (ARB).

Financial Implications:

The amount of taxes written-off due to these applications to date in 2023 is \$71,752.85. The municipal portion of this amount is \$28,245.24, the County will assume \$18,407.45, and school boards will assume \$25,100.16.

Strategic Plan:

This matter aligns with following strategic priorities:

- Responsive Municipal Government

The annual report is a legislative requirement under the Municipal Act and additionally it responds directly to Objective 5.3 – Foster a culture of innovation, continuous improvement, and cost-effective services by sharing information and gathering input, by continuing our timely and effective communication to the public.

Attachments:

N/A