
HALDIMAND COUNTY

Report FIN-05-2023 Application for Assessment & Tax Adjustments as of February 2023



For Consideration by Council in Committee on March 21, 2023

OBJECTIVE:

To approve recommended adjustments for applications received as of February 2023, under Sections 357, 358 and 359 of the Municipal Act.

RECOMMENDATIONS:

1. THAT Report FIN-05-2023 Applications for Assessment and Tax Adjustments, as of February 2023, be received;
2. AND THAT adjustments of taxes, in accordance with Sections 357, 358 and 359 of the Municipal Act, be approved in the amount of \$35,960.65 as detailed in Attachment 1 to Report FIN-05-2023.

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Reviewed by: Amy Vesprini, Supervisor, Taxation and Revenue & Teri Trewolla, Treasurer

Respectfully submitted: Mark Merritt, CPA, CA, General Manager of Financial & Data Services

Approved: Craig Manley, MCIP, RPP, Chief Administrative Officer

EXECUTIVE SUMMARY:

Haldimand County Council is being asked to approve adjustments to individual property taxes based on applications received in accordance with the Municipal Act. The applications have been vetted and the Treasurer supports approval of the tax adjustments outlined in Attachment 1.

Total tax reductions of \$35,960.65 are being recommended for approval; \$27,429.48 municipal levy and \$8,531.17 education levy. The Assessment and Tax Adjustments summarized in this report relate to Sections 357, 358 and 359 applications processed and returned from the Municipal Property Assessment Corporation (MPAC) up until the end of February 2023.

Upon Council approval, staff will carry out all implementation processes; ensuring the adjustments are applied and appropriate notification is provided.

BACKGROUND:

Sections 357, 358 and 359 of the Municipal Act, 2001 (the "Act") allow for applications to adjust taxes levied for various reasons specific to each section. Haldimand County staff receive applications for assessment adjustments throughout the year. Once received, applications are sent to the Municipal Property Assessment Corporation (MPAC) for review and recommended assessment changes (if any), are then sent back to Haldimand County staff to calculate the applicable tax adjustments.

MPAC's role in processing tax adjustment applications is to provide the municipality with the information it needs to enable Council to determine whether a tax refund, cancellation, reduction or increase is

warranted. As outlined in the Act, the jurisdiction to make decisions on applications for tax refunds or tax increases rests solely with a municipal council.

Additional information and examples for these three sections can be found under the Property Types menu of MPAC's website (www.mpac.ca) in the property assessment procedures section. A brief outline of each section is as follows.

Section 357

Section 357 of the Act provides that property owners may apply for a reduction in assessment resulting in the cancellation, reduction and refund of taxes due to the following reasons:

- change in class;
- the land became vacant land during the year or during the preceding year;
- the land became exempt from taxation;
- a building on the land was razed by fire, demolition or otherwise;
- a building was damaged by fire, demolition or otherwise so as to render it substantially unusable for the purposes for which it was used prior to the damage;
- a mobile unit on the land was removed during the year or during the preceding year;
- the applicant is unable to pay taxes because of sickness or extreme poverty;
- a person was overcharged due to a gross or manifest error that is clerical or factual in nature; or
- repairs or renovations to the land prevented the normal use of the land for a period of at least three months during the year.

For a 357 application, it must be filed with the Treasurer on or before February 28th of the year following the taxation year in respect of which the application is made. For an example, if a house was demolished in November 2022, the application to adjust taxes must be filed before February 28, 2023.

Section 358

Section 358 of the Act provides that applicants may apply for a reduction in assessment as a result of a gross or manifest error, in the preparation of the assessment roll, that is clerical or factual in nature, including the transposition of figures, a typographical error or similar errors, but not an error in judgment in assessing the property. In general, this Section relates to an error made by MPAC.

A 358 application must be filed with the Treasurer between March 1st and December 31st. The application may apply only to taxes levied for one or both of the two years preceding the year in which the application is made.

Section 359

Section 359 of the Act provides that the Treasurer may make application if an undercharge is caused by a gross or manifest error that is factual, but not an error in judgment in assessing the land. An application under this section must be made on or before December 31st of the year following the year for which the application is made.

For all applications, Council is required to hold a meeting and notify the applicants of its decision by September of the year following the year with respect to which the application is made. Despite these provisions, these applications are brought forward to Council as soon as all information is available at scheduled intervals during the year (3 times a year – spring, summer and fall).

ANALYSIS:

Attachment 1 to this report provides the details of the proposed Section 357 and 358 tax adjustments that were received over the period of December 2022 to February 2023. The recommendations included in this report cover all applications processed and returned from MPAC up to February. Any

additional applications awaiting a response from MPAC will be included in the next reduction report scheduled for June 2023, if there are applications.

In accordance with the requirements under the Act, the applicable property owners have been notified of the recommended changes (if any) contained in this report and the date that Council intends to review the applications. The applicants, according to the Act, should have the opportunity to speak to their specific application, at the March 21, 2023, Council In Committee meeting, if they so choose. In the notification sent to the applicants, they are directed to contact the Clerk to arrange to speak at the applicable Council-in-Committee meeting. In these circumstance, Council will be notified in advance of these requests.

Within 14 days after Council's decision, staff shall notify the applicants and specify the last day for appealing the decision. For Section 357 applications, if the property owner does not agree with the adjustment (if any) as approved by Council, they have the ability to appeal to the Assessment Review Board within 35 days of Council's decision. There is no appeal process for Section 358 applications (the Act states an application shall not be heard by Council unless MPAC confirms an error in the assessment referred to in the application).

Applications with Recommended Reductions:

The total amount of the proposed tax reductions as shown on Attachment 1, are summarized as follows:

Municipal Levy	\$27,429.48
Education Levy	<u>\$ 8,531.17</u>
Total Proposed Reductions	<u>\$35,960.65</u>

Applications with No Recommended Reductions:

There was one Section 357 applications that MPAC has recommended no change of tax class. MPAC advised that the tax class should remain the same given current use and ownership.

FINANCIAL/LEGAL IMPLICATIONS:

Although the tax reductions noted in this report pertain to the taxation years 2020 through 2022, the County's books have been closed for years prior to and including 2021 meaning that the adjustment will be reflected as an expense in 2022. The approved 2022 Tax Supported Operating Budget includes an amount of \$39,000 for the County's share of tax reductions. The County's share of tax reductions, as outlined in this report totals \$27,429.48. This brings the cumulative municipal share of the total tax reductions approved to date for 2022 to \$55,697.28. This variance will form a part of the overall 2022 tax levy variance.

The education portion of the proposed tax reductions, totaling \$8,531.17 will be recovered from the applicable school boards.

STAKEHOLDER IMPACTS:

Not applicable.

REPORT IMPACTS:

Agreement: No

By-law: No

Budget Amendment: No

Policy: No

REFERENCES:

None.

ATTACHMENTS:

1. Proposed Tax Reductions under Section 357, 358 and 359 of the Municipal Act