
HALDIMAND COUNTY

Report FIN-15-2024 Application for Assessment & Tax Adjustments - Sections 357, 358, 359 Municipal Act as of August 2024



For Consideration by Council in Committee on September 17, 2024

OBJECTIVE:

To approve recommended adjustments for applications received as of August 2024, under Sections 357, 358 and 359 of the Municipal Act.

RECOMMENDATIONS:

1. THAT Report FIN-15-2024 Applications for Assessment and Tax Adjustments - Sections 357, 358, 359 Municipal Act as of August 2024 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 \$5,277 as detailed in Attachment 1 to Report FIN-15-2024.

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Reviewed by: Samuel Koppeser, Supervisor, Taxation and Revenue

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

Approved: Cathy Case, Chief Administrative Officer

EXECUTIVE SUMMARY:

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 to the end of August 2024. Based on the information provided by MPAC, it is recommended that total tax reductions of \$5,277.00 be approved. Of the proposed reductions, the Municipal share is \$4,211.98 and the Education share, to be recovered from the appropriate School Board, is \$1,065.02.

Three applications were not recommended by MPAC for reduction as [detailed below](#).

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), and 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:

- as a result of a change event in which the property or portion of the property is eligible to be reclassified in a different class of real property and that class has a lower tax ratio for the taxation year that the class the property or portion of the property is in before the change event;
- the land has become vacant land or excess land during the year or during the preceding year after the return of the assessment roll for the preceding year;
- the land has become exempt from taxation during the year or during the preceding year after the return of the assessment roll for the preceding year;
- during the year or during the preceding year after the return of the assessment roll, a building on the land,
 - was razed by fire, demolition or otherwise, or
 - was damaged by fire, demolition or otherwise so as to render it substantially unusable for the purposes for which it was used immediately prior to the damage;
- the applicant is unable to pay taxes because of sickness or extreme poverty;
- a mobile unit on the land was removed during the year or during the preceding year after the return of the assessment roll for the preceding year;
- a person was overcharged due to a gross or manifest error that is clerical or factual in nature, including a transposition of figures, a typographical error or similar error but not an error in judgement in assessing the property; 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 2023, the application to adjust taxes must be filed before February 28, 2024.

As of July 2, 2024, MPAC no longer revalued or provided a change in value for the following two tax application reasons:

- damaged by fire, demolition or otherwise so as to render it substantially unusable for the purposes for which it was used immediately prior to the damage;
- repairs or renovations to the land prevented the normal use of the land for a period of at least three months during the year.

MPAC will still offer the returned CVA and a notional value of the impacted structure for consideration, leaving it up to each municipality to determine the tax relief for property owners. The purpose of this change is to eliminate any subjectivity that may have been previously provided by MPAC as to what degree a building is substantially unusable. This report contains no properties affected by this change in process. Any future applications that fall under these 2 subsections after July 2nd will be specifically highlighted by staff.

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 January 2024 to August 2024. The recommendations included in this report cover all applications processed and returned from MPAC to August. Any additional applications awaiting a response from MPAC will be included in the next reduction report scheduled for November 2024, if there are sufficient 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, have the opportunity to speak to their specific application, at the September 17, 2024, 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 circumstances, 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 Purposes	\$4,211.98
Education	<u>\$1,065.02</u>
Total Proposed Reductions	<u>\$5,277.00</u>

Applications with No Recommended Reductions:

There were three applications for reductions that are not being recommended by MPAC for assessment changes, as outlined below.

For one of the requests, MPAC advised that an application was already submitted and this was a duplicate request. No further changes required at this time..

Respecting another application, MPAC advised that there is no change. A portion of the subject property that is used as a cemetery meets the requirements set out under section 3(1)2 of the Assessment Act, the cemetery portion is exempt. The remaining portion of the property consisting of a church, is no longer used as a place of worship and not used as a cemetery, so that portion of the property is currently the taxable portion.

A third application, MPAC advised that the returned value for 2024 taxation is \$406,000. MPAC inspected the property and confirmed a barn was completely burned down, the barn had a negligible value, such that the total value doesn't change when it is removed.

No Section 359 applications were received within the time period noted above.

FINANCIAL/LEGAL IMPLICATIONS:

The approved 2024 Tax Supported Operating Budget included 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 \$4,211.98. This brings the cumulative municipal share of the total tax reductions approved to date for 2024 to \$13,155.38. Any surplus or deficit from this report and future Tax Adjustment reports will form part of the overall annual Tax Supported surplus/deficit.

The education portion of the proposed tax reductions, totaling \$1,065.02 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:

1. [Municipal Act, 2001, S.O. 2001, c. 25](#)

ATTACHMENTS:

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