



City of Kingston
Report to Administrative Policies Committee
Report Number AP-17-035

To: Chair and Members of the Administrative Policies Committee
From: Desirée Kennedy, Chief Financial Officer and City Treasurer
Resource Staff: Stephen Dickey, Director of Financial Services
Jeff Walker, Manager of Taxation and Revenue
Date of Meeting: November 9, 2017
Subject: Tax Write Offs Pursuant to the *Municipal Act, 2001*

Executive Summary:

Council is permitted to cancel, reduce or refund taxes for the following reasons, pursuant to Section 357(1) [(a) – (g) below] of the *Municipal Act, 2001* (the Act):

- a. the property or a portion of the property is eligible to be reclassified in a different property class;
- b. the land has become vacant land or excess land;
- c. the property has become exempt from taxation;
- d. a building was destroyed or damaged;
- e. a mobile unit was removed from the property;
- f. a person was overcharged due to a clerical or factual error in the preparation of the assessment roll; or
- g. the property could not be used for at least three months due to repair or renovations.

In addition, under Section 358, Council may cancel, reduce or refund taxes for a maximum of two years when the Municipal Property Assessment Corporation (MPAC) confirms that the person was overcharged due to a clerical or factual error in the preparation of the assessment roll.

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The *Municipal Act, 2001* also provides for the sending of notices of hearing and decision under each of Sections 357 and 358. The applicant may appeal Council's decision under Section 357 to the Assessment Review Board (ARB).

Recommendation:

THAT Council approve the cancellation, reduction or refund of taxes pursuant to applications made under Section 357 and 358 of the *Municipal Act, 2001* totaling \$57,988.65 of which \$39,860.51 is the City's portion and the amount charged back to the school board is \$18,128.14 as listed in Exhibit A attached to Report AP-17-035.

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Authorizing Signatures:

ORIGINAL SIGNED BY CHIEF FINANCIAL OFFICER AND CITY TREASURER

**Desirée Kennedy, Chief Financial Officer and
City Treasurer**

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER

Gerard Hunt, Chief Administrative Officer

Consultation with the following Members of the Corporate Management Team:

Lanie Hurdle, Commissioner, Community Services	Not required
Denis Leger, Commissioner, Corporate & Emergency Services	Not required
Mark Van Buren, Acting Commissioner, Transportation & Infrastructure Services	Not required

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Options/Discussion:

Applications for tax write offs are received in the City's tax department and forwarded to the Municipal Property Assessment Corporation (MPAC) for review. Upon receiving comments from MPAC, tax department staff calculates the amount for tax cancellation, prepares the recommendation for the cancellation, and advises the applicant of the tax amount to be cancelled. Applicants have been provided notice of the recommendations, as listed in Exhibit A.

The *Municipal Act, 2001* requires that a hearing be held; accordingly, the Administrative Policies Committee will hear applicants and render its decision, which will be recommended to Council for approval. Applicants may wish to attend this meeting to represent their application. Once Council approves the cancellation, reduction or refund of taxes, tax department staff will notify applicants of Council's decision and process the applicable tax adjustments.

For applications made under Section 357(1), the applicant may, within 35 days of Council's decision, appeal to the Assessment Review Board; however, the reasons for appealing Council's decision are limited to those listed in the executive summary.

All tax amounts approved for cancellation, reduction or refund will be charged back, where applicable, in proportion to the amounts levied on behalf of the City and relevant school boards. In addition, late payment charges will be adjusted as required in accordance with subsection 345(7) of the *Municipal Act, 2001*.

Existing Policy/By-Law:

Municipal Act, S.O. 2001, c. 25, as amended

Notice Provisions:

The *Municipal Act, 2001*, s.s. 357(5) and s.s. 358(9), requires that applicants receive 14 days' notice of meeting.

Accessibility Considerations:

Exhibit A to this report is available in an alternate format upon request.

Financial Considerations:

Tax write off provisions exist in the annual budget estimates. The 2017 operating results will reflect the tax adjustments as recommended in this report.

Contacts:

Stephen Dickey, Director of Financial Services, Extension 2370

Jeff Walker, Manager Taxation and Revenue, Extension 2484

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Other City of Kingston Staff Consulted:

There were no consultations with other City of Kingston staff.

Exhibits Attached:

Exhibit A: Property Listing – Section 357(1) and Section 358 Tax Adjustments

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Property Listing - Section 357(1) Tax Adjustments

Application Number	Roll Number	Property Location	From	To	Reason for Adjustment	Property Tax Class	Assessed Value	Amount of Tax Cancellation
Section 357(1) Applications								
1482	080.184.01200.0000	641 Davis Dr.	1-Jan-16	31-Dec-16	357 (1)(c) Became Exempt	RTEP E N	397,000 (397,000)	\$ 5,105.17
1489	080.010.12300.0000	21 Point Cres.	30-May-17	31-Dec-17	357(1)(d) Fire, Demo	RTEP	139,000	\$ 1,056.10
1491	080.230.04910.0000	3715 Unity Rd. - Sharpton	1-Jan-17	31-Dec-17	357 (1)(a) Property Class Change	CTN RTES	14,175 (14,159)	\$ 321.47
1492	080.180.05000.0000	700 Gardiners Rd.	23-Jun-17	31-Dec-17	357(1)(d) Fire, Demo	CTN CUN IXN	1,919,985 1,712,515 (2,201,872)	\$ 26,175.97
1493	050.050.07500.0000	857-861 Princess St.	30-Sep-16	31-Dec-16	357(1)(d) Fire, Demo	CTN CXN	729,000 (359,000)	\$ 4,540.46
1496	080.200.02100.0000	1143 Midland Ave.	18-Jun-17	31-Dec-17	357(1)(d) Substantially Unusable	RTEP	30,000	\$ 207.88
Section 358(1) Applications								
1501	040.150.11733.0000	0 Conacher Dr	1-Jan-13	31-Dec-13	358(1) Clerical Error	RTEP	525,900	\$ 7,659.93
1502	040.150.11732.0000	0 Conacher Dr	1-Jan-13	31-Dec-13	358(1) Clerical Error	RTEP	524,800	\$ 7,643.91
1503	040.150.11734.0000	0 Conacher Dr	1-Jan-13	31-Dec-13	358(1) Clerical Error	RTEP	362,350	\$ 5,277.76
Total								\$ 57,988.65
<u>Distribution of Amounts</u>								
							Municipal Portion	\$ 39,860.51
							School Portion	\$ 18,128.14
Total								\$ 57,988.65