

Date 22 November, 2010



City Council Committee Report

To: Mayor & Council

Fr: Pat Geisel

Re: Section 357 – Cancellation and Refund of Taxes

Recommendation: THAT the Section 357 tax adjustments totaling \$15,412.79, (plus applicable penalty adjustment), with potential refunds of \$3,150.13, be approved.

Background: The cancellation and refund of taxes are dealt with by Council under Section 357 of the Municipal Act. Section 357 applies to properties that have had an assessment reduction due to a building being burned, damaged, or removed from the property, or, in some cases, the property has become exempt, or had a class change. If the buildings are restored or a new structure built, they are levied a supplementary tax bill which recovers some of the reduced assessment. I would stress that these cancellations are not uncollectible taxes, but are in fact, tax related assessment reductions. The assessment reductions have been confirmed by the Municipal Property Assessment Corporation, (MPAC). These applications are for the 2010 tax year, as well as three from 2009 that had not been received back from MPAC when the last set of applications were submitted in March.

The cancellations for the applications total \$15,412.79, with potential refunds of \$3,150.13. A refund is applicable when the account has already been paid. The property owner may choose to either leave the credit on their account, or request a cheque. If you have any questions, please let me know.

Budget: The municipal share of the tax reductions relating to the Section 357 adjustments is \$11,145.76. The remaining \$4,267.03 is attributed back to the related school boards. Of the municipal share, 71% relates to one single ratepayer. This amount was accounted for in the City's 2010 operating budget. The balance of the municipal share of these reductions is minimal, and is offset by supplementary taxes that have been levied by the City in 2010.

Communication Plan/Notice By-law Requirements: This item is housekeeping in nature. Individuals with a Section 357 adjustment on the property tax account will be notified of the applicable refund amount. No further communication is required.