

Date 24 April 2012



## City Council Committee Report

To: Mayor & Council

Fr: Melissa Shaw

Re: Section 357 – Cancellation and Refund of Taxes

**Recommendation: THAT the Section 357 tax adjustments totaling \$9,706.42, with potential refunds of \$6,159.85 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 2011 and 2012 tax year, as the rates have now been passed, the totals for 2012 were able to be calculated.**

**The cancellations for the applications total \$9,706.42, with potential refunds of \$6,159.85. A refund is applicable when the account has already been paid. The credits will be applied to the 2012 Final Billing which will be levied in early June. There are still some 2011 Section 357 applications that have been sent to MPAC but are still being processed. Accordingly, even though Council usually deals with Section 357 only in the spring and fall, there may be a further submission to clear up these applications sometime in the next few months. If you have any questions, please let me know.**

**Budget:** The municipal share of the tax reductions relating to the Section 357 adjustments is \$6,420.10. The remaining \$3,316.37 is attributed back to the related school boards.

**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.