



**CITY OF HAMILTON**  
**CORPORATE SERVICES DEPARTMENT**  
**Taxation Division**

<b>TO:</b>	Chari and Members of Audit, Finance & Administration Committee
<b>COMMITTEE DATE:</b>	May 12, 2014
<b>SUBJECT/REPORT NO:</b>	Tax Appeals under Sections 357 and 358 of the Municipal Act (2001) FCS14016(a) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Val Mitchell 905-546-2424 Extension 2776
<b>SUBMITTED BY:</b>	Mike Zegarac General Manager, Finance and Corporate Services
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- (a) That Appendix “A” attached to Report FCS14016(a) respecting the “Tax Appeals processed under Section 357 of the Municipal Act, 2001”, in the amount of \$157,997 be approved;
- (b) That Appendix “B” attached to Report FCS14016(a) respecting the “Tax Appeals due to a Gross or Manifest Clerical Error, Pursuant to Section 358 of the Municipal Act, 2001”, in the amount of \$5,997 be approved.

**EXECUTIVE SUMMARY**

Section 357 of the Municipal Act allows the taxpayer, through the Treasurer’s Office, to submit an application to cancel, reduce or refund all or part of the taxes levied on the land in the year in respect of which the application is made as a result of a change of use, damage to a property rendering it partially or totally unusable; or a gross or manifest error that is clerical in nature.

Examples of such applications are:

- mid-year purchase of a property by an exempt body
- fire or flood damage to all or partial property
- an assessment error in entering a property value.

Section 358 of the Municipal Act, 2001 allows the taxpayer, through the Treasurer’s Office, to appeal assessment as supplied by the Municipal Property Assessment Corporation (MPAC) they believe have been overcharged, due to gross or manifest clerical error, on the part of MPAC. They are allowed to appeal current plus prior two

years, in which the application is made. This section also allows for the reduction of taxes, due to such errors, once confirmed by the Regional Assessment Office of MPAC.

Examples of such applications are:

- a transposition of figures
- a typographical error
- a duplicate property created

***Alternatives for Consideration – Not Applicable***

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS (for recommendation(s) only)**

**Financial:** The taxes that will be written-off under Section 357, total \$157,997 and taxes that will be written-off under Section 358, total \$5,597 for a total amount of \$163,594 of which \$15,039 will be charged back to the local school boards, based on school support, indicated on each account. The City portion of \$148,555 will be charged to the operating budget (HAMTN 52108-252013).

**HISTORICAL BACKGROUND (Chronology of events)**

Appendix “A” to Report FCS14016(a) “Tax Appeals processed under Section 357 of the Municipal Act, 2001” and Appendix “B” to Report FCS14016(a) “Tax Appeals due to Gross or Manifest Clerical Error, Pursuant to Section 358 of the Municipal Act, 2001, have been reviewed by MPAC and have been approved or denied by them. Taxation Division staff have calculated any refund/reductions that are due which now require Council approval. Applicants have thirty-five days after Council has rendered its decision to appeal any Section 357 decision through the Assessment Review Board (ARB). Section 358 decisions are final.

**POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

Section 357 and 358 of the Municipal Act.

**RELEVANT CONSULTATION**

Municipal Property Assessment Office (MPAC).

**ANALYSIS AND RATIONAL FOR RECOMMENDATION**

**(Include Performance Measurement/Benchmarking Data if applicable)**

The Section 357 applications allow for the Municipality and MPAC to quickly rectify assessment classification changes since the return of the year end assessment roll.

The Section 358 applications allow the taxpayer to rectify prior year's errors through the municipality and the local assessment office.

Both processes allow errors to be quickly rectified without having to go through the formal assessment review process.

**ALTERNATIVES FOR CONSIDERATION**

**(Include Financial, Staffing, Legal and Policy Implications and Pros and Cons for each alternative)**

No other alternatives as this is a legislated process under the Municipal Act, 2001.

**ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN**

**Strategic Priority #2**

Valued & Sustainable Services

*We deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner*

**APPENDICES AND SCHEDULES ATTACHED**

Appendix "A" to Report FCS14016(a) – Tax Appeals processed under Section 357 of the Municipal Act, 2001.

Appendix "B" to Report FCS14016(a) – Tax Appeals due to Gross or Manifest or Clerical error, Pursuant to Section 358 of the Municipal Act, 2001.