



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

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| <b>TO:</b>                | Chair and Members<br>Audit, Finance and Administration Committee   |
| <b>COMMITTEE DATE:</b>    | October 5, 2017  |
| <b>SUBJECT/REPORT NO:</b> | Tax Appeals under Sections 357 and 358 of the <i>Municipal Act, (2001)</i> (FCS17003(e)) (City Wide)                         |
| <b>WARD(S) AFFECTED:</b>  | City Wide  |
| <b>PREPARED BY:</b>       | Val Mitchell (905) 546-2424 Ext. 2776  |
| <b>SUBMITTED BY:</b>      | Rick Male<br>Director, Financial Services, Taxation and Corporate<br>Controller<br>Finance and Corporate Services Department |
| <b>SIGNATURE:</b>         |  |

**RECOMMENDATIONS**

- (a) That Appendix “A” to Report FCS17003(e) respecting the Tax Appeals processed under Section 357 of the *Municipal Act, (2001)*, in the amount of \$149,361 be approved;
- (b) That Appendix “B” to Report FCS17003(e) 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 \$61,199 be approved.

**EXECUTIVE SUMMARY**

Section 357 of *Municipal Act, (2001)* 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; and,
- an assessment error in entering a property value.

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Section 358 of *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; and,
- a duplicate property created.

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

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

**Financial:** The taxes that will be written-off under Section 357, total \$149,361 and taxes that will be written-off under Section 358, total \$61,199, for a total amount of \$210,560 of which \$50,378 will be charged back to the local school boards, based on school support, indicated on each account. The City portion of \$160,182 will be charged to the operating budget (HAMTN 52108-252013).

**Staffing:** Not Applicable

**Legal:** Not Applicable

**HISTORICAL BACKGROUND**

Appendix "A" attached to Report FCS17003(e) Tax Appeals processed under Section 357 of the *Municipal Act, (2001)* and Appendix "B" attached to Report FCS17003(e) 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 has calculated any refund / reductions that are due which now require Council approval. Applicants have 35 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**

Sections 357 and 358 of the *Municipal Act, (2001)*.

## **RELEVANT CONSULTATION**

Municipal Property Assessment Corporation (MPAC).

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

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 years' 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**

There are no other alternatives as this is a legislated process under the *Municipal Act, (2001)*.

## **ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

### **Our People and Performance**

*Hamiltonians have a high level of trust and confidence in their City government.*

## **APPENDICES AND SCHEDULES ATTACHED**

Appendix "A" – Tax Appeals processed under Section 357 of the *Municipal Act, (2001)*.

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

VM/cr