



Report to Council

Department: Corporate Services

Division: Finance and Business Services

Date: March 1, 2021

Prepared by: Jeffrey R. Morrison, CPA, CGA
Director, Corporate Services / Treasurer

Report Number: Finance and Business Services-2021-04

Subject: Tax Adjustments – Section 357.(1) and Section 358

Number of Pages: 6

Recommendation(s)

That Finance and Business Services Report 2021-04 entitled Tax Adjustments – Section 357.(1) and Section 358 prepared by Jeffrey R. Morrison, CPA, CGA dated March 1, 2021 be received, and

That Council approve the cancellation, reduction or refund of taxes in accordance with the provisions under Section 357.(1) and Section 358 of the Municipal Act, 2001.

Purpose

In accordance with the Delegation of Authority By-Law 1404, the authority to write-off property taxes in accordance with Sections 357.(1) and 358 of the Municipal Act, 2001 (the "Act") is delegated to the Director, Corporate Services / Treasurer. The communication requirement associated with this delegation of authority required that an annual report of tax write-offs in accordance with these sections of the Act be provided to Council.

Background and Discussion

Section 357.(1) of the Municipal Act, 2001 provides for certain instances when all or part of taxes levied on land may be cancelled, reduced or refunded. Examples of the types of events leading to tax adjustment include, reclassification of a property into a property class with a lower tax ratio, land that has become vacant excess or exempt from taxation, a building on land which has been razed by fire or demolished, etcetera.

Section 358 of the Act provides for the cancellation, reduction or refund of all or part of the property taxes levied on land for any overcharge caused by a gross or manifest error in the assessment roll that is clerical or factual in nature.

Schedules A to C attached provide details on Section 357.(1) and Section 358 adjustments made in 2020 for the 2018 to 2020 assessment years. The value of these write-offs, including municipal, county and school board taxes by year are summarized below.

| Assessment Year | Total Write-Off | Schedule |
|-----------------|--------------------|----------|
| 2020 | 13,806.46 | A |
| 2019 | \$4,978.65 | B |
| 2018 | \$2,706.51 | C |
| Total | \$21,491.62 | |

Financial Impact

The municipal portion of the tax adjustments, which includes the municipal base levy, rural and urban levy, and garbage collection and disposal levy amounts to \$21,491.62.

Consultations

Michaele Woodiwiss, Tax Coordinator

Kate Giurissevich, CPA, CA, Manager, Finance and Business Services / Deputy Treasurer

Link to Strategic Priorities

- ☐ Manage, invest and plan for sustainable municipal infrastructure which meets current and future needs of the municipality and its citizens.
- ☐ Create a safe, friendly and inclusive community which encourages healthy, active living for people of all ages and abilities.
- ☒ Provide a fiscal stewardship and value for tax dollars to ensure long-term financial health to the municipality.
- ☐ Manage responsible and viable growth while preserving and enhancing the unique rural and small town character of the community.
- ☒ Improve the experiences of individuals, as both citizens and customers, in their interactions with the Town of Essex.
- ☒ Improve the Town's capacity to meet the ongoing and future service needs of its citizens while ensuring the corporation is resilient in the face of unanticipated changes or disruptions.

Report Approval Details

| | |
|----------------------|---|
| Document Title: | Tax Adjustments - Section 357(1) and Section 358.docx |
| Attachments: | - Schedule A B C- 2020 Section 357 and 358.pdf |
| Final Approval Date: | Feb 23, 2021 |

This report and all of its attachments were approved and signed as outlined below:

A handwritten signature in black ink, appearing to read "Chris Nepszy". The signature is fluid and cursive, with a period at the end.

Chris Nepszy, Chief Administrative Officer - Feb 23, 2021 - 4:21 PM