



Administration and Operations Committee Report

To: To the Chair and Members of the Administration and Operations Committee
From: Ryan Fox, Financial Analyst
Date: December 13, 2022
Report #: RPT-0712-22
Subject: 2022 Tax Write-Off Report
Purpose: For Approval

Recommendation

That staff be authorized to write off taxes under Sections 357 and 358 of the Municipal Act as follows:

| | |
|-----------------|---------------------|
| Municipal Share | \$ 38,287.52 |
| School Share | <u>\$ 18,451.79</u> |
| Total Write-off | \$ 56,739.31 |

And that the final payment to the School Boards be reduced by the amount of \$18,451.79 for their share of the taxes written off.

Strategic Plan Priority

Strategic Priority 6 - Stable and Responsive Governance

Impacts and Mitigation

Social Impacts

Sections 357 and 358 of the Municipal Act provides property owners with an opportunity to appeal directly to the municipality to cancel, reduce or refund all or part of taxes levied based on prescribed circumstances.

Environmental Impacts

No environmental impacts are anticipated by the recommendation of this report.

Economic Impacts

Each year, the County budgets an amount for write offs, based on previous years. The total write-off amount for 2022 is expected to be under budget.

Report

Background

Sections 357 and 358 of the Municipal Act outlines that, upon application to the Treasurer, a municipality may cancel, reduce or refund all or part of taxes levied on a property that year,

based on prescribed circumstances, including changes in the property classification, vacancy, change in exemption status, fire or demolition, extreme sickness / poverty, removal of mobile unit, clerical error, renovations / repairs making it unusable for period of time or overcharges. For these write-offs, the education portion is recovered from the school boards.

Analysis

There are several different reasons for tax write-offs.

Write-offs requiring specific Council approval are outlined in Sections 357 and 358 of the Municipal Act. These write-offs require Council approval, but failure to grant them may result in appeal. Applications received from property owners are forwarded to the Municipal Property Assessment Corporation (MPAC) for their analysis and review and returned to the municipal office for analysis and processing as part of this report. The total write-off recommended under this category for 2022 is \$56,739.31, (\$18,451.79 of which will be recuperated through a reduction in the final payment to the School Boards).

Write offs authorized under the Assessment Act are mandatory and do not require Council approval. These include errors in assessment, errors in the valuation method used to assess the property or a clerical error. Write-offs under the Assessment Act can be authorized by either MPAC or the Assessment Review Board (ARB) and are appealable but do not require a Council resolution. For 2022, these represent \$323,6237.53, which is the bulk of annual write-offs. This amount is under budget by \$169,899.90, largely as a result of a backlog of appeals to be heard by ARB due to COVID-19. If this backlog clears, the County may expect higher than normal write-offs next year.

The Municipal Act allows for additional write-offs for Charity Rebates, which are administered in accordance with the County’s Charity Rebate By-law. The total charity rebates for 2022 is \$1,685.05. This by-law was reviewed and supported in 2021.

Summary and Recommendations

It is recommended that County of Brant Council approve tax write-offs for applications received under Sections 357 and 358 of the Municipal Act, totaling \$56,739.31. Other types of write-offs noted in this report do not require a Council resolution.

Attachments

None

Reviewed By

H. Boyd, General Manager of Corporate Services
H. Mifflin, Director of Finance, Treasurer

Copied To

- 1. Christine Staley, Manager of Taxation & Revenues

By-law and/or Agreement

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|---|----|
| By-law Required | No |
| Agreement(s) or other documents to be signed by Mayor and /or Clerk | No |