

STAFF REPORT

THE CORPORATION OF THE TOWN OF COBOURG



Report to:	Mayor and Council Members	Priority:	<input type="checkbox"/> High <input checked="" type="checkbox"/> Low
Submitted by:	Ian D. Davey, BBA CPA CA Treasurer/Director of Corporate Services idadavey@cobourg.ca	Meeting Type:	Open Session <input checked="" type="checkbox"/> Closed Session <input type="checkbox"/>
Meeting Date:	September 13, 2021		
Report No.:	[Report Number]		
Submit comments to Council			

Subject/Title: Cancellation, Reduction or Refund of Property Taxes – First Report for 2021

RECOMMENDATION:

THAT Council receive the first report for tax adjustments for 2021 and approve the reduction of property taxes in the amount of \$131,649.99 in accordance with the schedule attached to this report and;

FURTHER THAT the reduction be shared as follows: Town \$73,477.19; County \$41,963.23; Education \$14,630.71 and DBIA \$1,578.86.

1. STRATEGIC PLAN

N/A

2. PUBLIC ENGAGEMENT

N/A

3. PURPOSE

The purpose of this report is to provide Council with a detailed listing of property tax adjustments which have been during the first eight months of 2021 and to obtain Council authorization for these adjustments.

4. ORIGIN AND LEGISLATION

The municipal finance department works with property owners, their property tax advisors, the Assessment Review Board (ARB) and the Municipal Property Assessment Corporation (MPAC) to administer the Assessment Act and the Municipal Act, 2001 provisions related to the billing and collection of property taxes within the municipality.

5. BACKGROUND

Section 357 of the Municipal Act, 2001 provides the authority for a local municipality to cancel, reduce or refund all or part of the taxes levied if one of the following events occur:

- a) As a result of a change event, the property is eligible to be reclassified in a different class of real property.
- b) The property has become vacant land during the year.
- c) The property has become exempt because it has been acquired by the Crown or a municipality.
- d) A building on the land has been destroyed or damaged during the year.
- e) A mobile unit on the land has been removed from the municipality.
- f) An owner has been overcharged due to a gross or manifest error that is either clerical or factual in nature.
- g) Repairs or renovations to the property prevented the normal use of the property for a period of at least three months during the year.

Taxpayers may also appeal the assessment of their properties which can lead to a reduction in their tax liabilities. These appeals may be settled on an informal basis as Minutes of Settlement or on a formal basis by the Assessment Review Board.

Section 361 of the Municipal Act, 2001 provides that every municipality shall have a tax rebate program for eligible charities for the purpose of providing tax relief on eligible properties that they occupy. The rebate is calculated based on 40% of the total taxes on that portion of the property occupied by the eligible charity.

The Town of Cobourg also provides a Heritage Tax Incentive for properties within the Commercial Core Heritage District to encourage the restoration and renovation of these properties. The amount of the grant is equal to the amount of annual increase in the municipal portion of the taxes for such properties that is a direct result of a reassessment due to an approved restoration project.

6. ANALYSIS

Included with this report is a spreadsheet providing background calculations to support tax adjustments for several properties which have been recorded during the period from January 1, 2021 to August 31, 2021. The net result of these changes is a reduction in taxes in the amount of \$131,649.99.

7. FINANCIAL IMPLICATIONS/BUDGET IMPACTS

The net reduction in taxes included with this report in the amount of \$131,649.99 is shared with the County, School Boards and DBIA on the following basis:

Town of Cobourg	\$73,477.19	(2021 Budget - \$300,000)
County of Northumberland	\$41,963.23	
Education	\$14,630.71	
DBIA	\$ 1,578.86	

8. CONCLUSION

That Council receive this report for information purposes and that a motion be prepared to approve the reduction in property taxes in the amount of \$131,649.99.

Report Approval Details

Document Title:	Cancellation, Reduction or Refund of Property Taxes - First Report of 2021 - Corporate Services-112-21.docx
Attachments:	- doc25903120210903124846.pdf
Final Approval Date:	Sep 3, 2021

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

Tracey Vaughan, Chief Administrative Officer - Sep 3, 2021 - 1:13 PM