

City Council Report

REPORT NUMBER 278-2025-Corporate Services-

DATE

PREPARED

August 22, 2025

FILE

**CITY COUNCIL
MEETING DATE**

September 16, 2025

SUBJECT

Application for Cancellation, Reduction or Refund of Taxes Under
Section 357 of the Municipal Act

RECOMMENDATION TO CITY COUCIL

WITH RESPECT to Report 278-2025-Corporate Services-Revenue, we recommend that the cancellation, reduction or refund of taxes totaling \$24,655.73 as outlined in the Report be approved;

AND THAT any necessary by-laws be presented to City Council for ratification.

EXECUTIVE SUMMARY

This report recommends the cancellation, reduction and/or refund of property taxes, totaling \$24,655.73.

The *Municipal Act, 2001* provides authority for taxes to be adjusted in situations where: a change occurs on the property during the year requiring the assessment to be altered such as a fire or demolition; a person was overcharged due to a gross and manifest error in calculating the assessment; or repairs or renovations to the land prevented the normal use of the land for a period of at least three months during the year.

DISCUSSION

A property owner may make an application under Section 357 of the *Municipal Act, 2001* to the Treasurer for the cancellation, reduction, or refund of taxes levied in the year. Section 357 provides situations where tax adjustments may be made. This includes the following:

- a change event during a taxation year that is not reflected on the assessment roll such as a demolition, fire (razed or damaged), or change of tax class;
- acquisition by an exempt body;
- removal of a mobile home;
- gross and manifest error in preparation of the assessment roll;

- sickness or extreme poverty; and
- renovations rendering the property unusable for more than 90 days.

Section 357 does not permit applications for situations where there was an error in judgment in making the assessment upon which the taxes have been levied. In those situations, the property owner must file an assessment appeal.

Applications can be made up until the last day in February of the year following the year in respect of which the application is made. Upon receiving an application, the Revenue Division forwards the application to the Municipal Property Assessment Corporation (MPAC) for a determination of the change implications of the properties assessment and the effective date of the change. If it is an application due to extreme sickness or poverty, the application is forwarded to The District of Thunder Bay Social Services Administration Board (TBDSSAB) for a determination of an applicant's ability to pay.

Upon return to the Revenue Division, tax implications are calculated based on the revised assessment amount received from MPAC. However, for applications made under Section 357 1(d)(ii), for buildings damaged by fire, demolition or otherwise rendering them substantially unusable and Section 357 1(g), for properties undergoing repairs and renovation which prevented normal use of the land for a period of at least 90 days, the property tax adjustment of 30 per cent will be applied to the returned assessment value of the property for the space affected.

Applicants have been advised of the recommended amount for cancellation, reduction, or refund. If an applicant objects to the recommended amount, they may appeal to the Assessment Review Board (ARB). The ARB will then schedule a hearing where the applicant can present their case after which the ARB will make a final determination. Subsequently, any refund or cancellation will be made in accordance with that decision.

Attachment A contains a listing of the proposed tax reductions arising from applications under Section 357 of the *Municipal Act, 2001*.

FINANCIAL IMPLICATION

The 2025 Operating Budget includes an allowance for tax cancellations arising from applications under Section 357 of the *Municipal Act, 2001*.

BACKGROUND

Section 357 of the *Municipal Act, 2001* provides authority for Council to consider applications for adjustments of taxes in specific instances.

REFERENCE MATERIAL ATTACHED

Attachment A – Application for Cancellation, Reduction or Refund of Taxes Under Section 357 of the *Municipal Act, 2001*.

REPORT PREPARED BY

Chantal Harris, CPA, Manager – Billing and Collection Services

REPORT SIGNED AND VERIFIED BY

Keri Greaves, CPA, Commissioner – Corporate Services & City Treasurer

Date (MM/DD/YEAR)