

Staff Report

Report To: City Council
Report From: Crystal Moffatt, Tax Collector
Meeting Date: September 23, 2024
Report Code: CR-24-100
Subject: Property Tax Exemption Application under s.357(1)(c)

Recommendations:

THAT in consideration of Staff Report CR-24-100 respecting Property Tax Exemption Application under s.357(1)(c) of the *Municipal Act, 2001*, City Council ratifies the decision respecting a section 357 application for 1717 2nd Avenue East.

Highlights:

- Staff reviewed and approved a s.357 application for a change event that increased the exempt portion of property taxes and assessment for municipal address 1717 2nd Ave E., property tax roll 010-005-05403-0000, owned by Northridge Property Management.
- The applicant applied under section 3(1)6.1 of the *Assessment Act* as a Children's treatment centre.

Strategic Plan Alignment:

[Strategic Plan](#) Priority: A City that Grows.

Climate and Environmental Implications:

There are no anticipated climate or environmental impacts.

Background:

Staff received via email on February 29, 2024, an application for the 2023 tax year requesting that the City approve a request for consideration for the relief of taxation under s.357 (1)(c) of the *Municipal Act, 2001*.

The applicant is a publicly funded non-profit, philanthropic organization that works to support children and their families through a variety of services, supports, and resources for children and youth with physical disabilities, communication disorders, developmental delays, and autism spectrum disorders.

To meet application requirements and safeguard the City's assessment, staff requested additional documentation to support the tax exemption request. The provided documents included a letters patent, a detailed floor map showing the square footage of the rental units, and an Ontario transfer payment agreement.

Combined with the application, staff felt that this was enough supporting documentation to move ahead and submit a request to the Municipal Property Assessment Corporation (MPAC) for further review and reassessment.

Analysis:

On May 1, 2024, MPAC provided a written response and updated valuation, noting that, according to Section 3(1)6.1 of the *Assessment Act*, Children's Treatment Centres are exempt from taxation.

Consequently, the assessment and property taxes were reapportioned to account for this exemption for 2023 and 2024.

Financial Implications:

We were instructed by MPAC to reduce the commercial assessment from \$426,500 to \$303,400 totalling a reduction of \$123,000 and increase the exempt assessment from \$88,500 to \$211,600 totalling an increase of \$123,000 for both 2023 & 2024. Combining both taxation years, the total tax write-off was \$9,435.91.

In perspective, the total taxes for this property in 2024 were \$16,609.19, reducing taxation to \$7,173.28.

Communication Strategy:

Staff provided the property owner with a notice of property tax reduction letter advising of the changes, along with adjusted billing invoices.

Consultation:

MPAC representative

Attachments:

1. 425901000505403_2024_TAX_2024-01-01
2. 425901000505403_2023_TAX_2023-01-01
3. City Response Letter 01000505403

Recommended by:

Crystal Moffatt, Tax Collector

Submission approved by:

Tim Simmonds, City Manager

For more information on this report, please contact Crystal Moffatt, Tax Collector, at cmoffatt@owensound.ca or 519-376-4440 ex. 1249.