

Staff Report

Report To: City Council
Report From: Crystal Moffatt, Tax Collector
Meeting Date: November 18, 2024
Report Code: CR-24-123
Subject: Tax Adjustment under s.357 of the Municipal Act

Recommendations:

THAT in consideration of Staff Report CR-24-123 respecting a Tax Adjustment under s.357 of the *Municipal Act, 2001*, City Council ratifies the decision respecting a s. 357 application for 396 14th Street West, owned by the Corporation of the County of Grey.

Highlights:

- Staff reviewed and approved a s.357 application to change the tax class for the property at 396 14th St W, roll number 020-013-24100. The property, owned by the Corporation of the County of Grey, has been reclassified from Commercial (CT) to Exempt (EN) for the assessment years 2023 & 2024.
- The application was submitted and approved under s.357(1)(c) of the *Municipal Act, 2001*.
- MPAC (Municipal Property Assessment Corporation) reclassified the property tax class under s.3(1)9 of the *Assessment Act, R.S.O. 1990, c. A.31*.

Strategic Plan Alignment:

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

Climate and Environmental Implications:

There are no anticipated climate or environmental impacts.

Background:

Grey County submitted a s.357 application for the 2023 & 2024 tax years requesting that the City approve a property tax write-off under s.357(1)(C) of the *Municipal Act, 2001* for property located at 396 14th St W.

This property, owned and operated by Grey County Housing, is a newly established supportive housing centre. It provides stability and services in a safe environment, allowing individuals and families to develop the skills and access the supports necessary to live independently. Supportive housing plays a key role in reducing homelessness, generating cost savings, enhancing safety, and building stronger communities.

Under section 3(1)(9) of the *Assessment Act, R.S.O. 1990, c. A.31*, Grey County qualifies for a property tax exemption, as municipal properties, including those owned by upper-tier municipalities, are exempt from taxation.

City Staff accepted the application without further requirements, recognizing the property tax exemption for municipalities. The application was then forwarded to MPAC for further review.

Analysis:

On November 12, 2024, MPAC provided a written response confirming that, under section 3(1)(9) of the *Assessment Act, R.S.O. 1990*, the property at 396 14th St. W. qualifies for a property tax exemption, effective from the 2023 tax year onward. As a result, the property's assessment and tax classification were revised from Commercial (CT) to Exempt (EN).

Financial Implications:

MPAC directed us to remove the entire commercial assessment of \$443,000 and reallocate the value to the exempt property tax class for both the 2023 & 2024 taxation years.

As a result, this led to a total tax write-off of \$33,957.05, with a municipal tax impact of \$20,634.89.

Communication Strategy:

Staff emailed Grey County a notice of property tax reduction, informing them of the changes, along with a payment return of \$33,957.05.

Consultation:

MPAC representative

Kate Allan – Director of Corporate Services

Attachments:

1. Grey County Response Letter
2. 2023 - T_Supplemental Notice
3. 2024 - T_Supplemental Notice

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.