

Purpose

The purpose of this report is to provide information to the Hearing Committee to decide whether to grant or deny an application made pursuant to s. 357 of the *Municipal Act, 2001*, for an adjustment of property taxes for the year 2017. The application pertains to a property municipally known as 2600 Regional Rd 55, Naughton with Assessment Roll #120.004.21305.0000.

Background

The Application for the Tax Adjustment

On application to the Treasurer, pursuant to s. 357 of the *Municipal Act, 2001*, (the "Act") the municipality may cancel, reduce or refund all or part of taxes levied on land in the year in respect of which the application is made. Applications must be filed with the Treasurer on or before the last day of February of the year following the year in respect of which the application is made and may be based only on the reasons set out in s. 357 of the Act.

The owner of property municipally known as 2600 Regional Rd 55, Naughton with Assessment Roll #120.004.21305.0000, filed an application with the Treasurer for a reduction of taxes for his property for the 2017 taxation year. The application was made in a timely manner. It recited s. 357(1)(c) of the Act as the basis for the application for reduction of taxes. This subsection reads:

(c) the land has become exempt from taxation during the year or during the preceding year after the return of the assessment roll for preceding year;

This section is relied on if a property that was assessed on the assessment roll as taxable property became exempt during the year. Generally this applies to properties which became exempt from taxation during the year as a result of a transfer from a taxable owner to the City or a school board. Here, however, the owner has indicated in his application that the property is an aircraft hangar and has offered as his explanation: "aircraft hangar under federal designation". It is his position that an aircraft hangar located on a residential property should be classified as exempt and therefore exempt from taxation.

All applications pursuant to s. 357 of the Act, which are received by the City are sent to MPAC (Municipal Property Assessment Corporation) for review. MPAC considers the applications, and returns them to the municipality with either a recommendation for a tax adjustment or with no recommendation. A "no recommendation" response by MPAC indicates that the application did not meet the specified criteria under the Act and as a result, there is no recommendation for tax adjustment.

Applicants are notified of MPAC's recommendations and advised that the matter will be brought to Council for decision. Persons who want to make submissions notify

the City and a hearing before the Hearing Committee is scheduled.

In the case of the application pertaining to 2600 Regional Road 15, the application was forwarded to MPAC in the usual course. MPAC responded with 'no recommendation', meaning that the property did not qualify for reclassification as exempt during the 2017 taxation year. On further enquiry of MPAC, the City was advised that MPAC was relying on O. Reg. 282/98, made under the *Assessment Act*, which provides that private airplane hangars are to be assessed as residential properties. This is the way the property is currently assessed.

MPAC advised that it had previously reviewed the request for a change to the tax class for this property to 'exempt' and determined that it was not in order. As the tax class has not changed on the assessment roll, MPAC did not recommend an adjustment to taxes. In the absence of a change to the assessment roll, it is staff's position that there is no basis for a tax adjustment. As a result, staff are recommending to Council that there be no adjustment to the taxes levied for this property.

The property owner has requested an opportunity to make submissions to Hearing Committee on this matter prior to Council making a decision on the request for a tax adjustment.

Additional Information

It should be noted that this item was deferred by motion from the June 5, 2019, Hearing Committee meeting and that it had previously been rescheduled a couple of times as requested by the appellant.

It should be noted that the property owners have thirty five (35) days to appeal City Council's decision regarding the application for the tax adjustment to the Assessment Review Board of Ontario.

Recommendation

That the City of Greater Sudbury accepts the decision provided by the Municipal Property Assessment Corporation regarding 2600 Regional Rd 55 (Assessment roll #120.004.21305) and that the application by Darren Byrne be processed as "no recommendation".