



THE CORPORATION OF THE TOWN OF AMHERSTBURG

OFFICE OF CORPORATE SERVICES

MISSION STATEMENT: *Committed to delivering cost-effective and efficient services for the residents of the Town of Amherstburg with a view to improve and enhance their quality of life.*

Author's Name: Tracy Prince	Report Date: November 22, 2022
Author's Phone: 519 736-0012 ext. 2254	Date to Council: December 5, 2022
Author's E-mail: tprince@amherstburg.ca	Resolution #:

To: Mayor and Members of Town Council

Subject: Charity Rebate Program – County of Essex

1. **RECOMMENDATION:**

It is recommended that:

1. That Council **RECEIVE** the below information for consideration.

2. **BACKGROUND:**

The Town has received a request regarding a rebate of property taxes for the property located at 6480 Texas Road. The property was purchased by the Bryerswood Youth Camp Optimist Club (BYCOC) on October 29, 2021.

In 2022, the Municipality received direction to bill the property for omitted assessment as a result of a property class change. On November 14, 2022, the Municipality produced a supp/omit tax notice, and subsequently received a tax inquiry from the registered owner regarding the billing.

As a result of the inquiry from Bryerswood Youth Camp, the Municipality requested information from MPAC regarding the classification change from E (Exempt) to RT (Residential) tax class since the sale date. MPAC provided the municipality with the following information:

Background info:

1. Roll was purchased by Bryerswood Youth Camp Optimist Club (BYCOC)
2. BYOCC is registered as a charity with Canada Revenue Agency (750233082 RR 0001)
3. Article XIII of BYCOC's Bylaws state:

- a. *This Club is organized and shall operate as a not-for-profit organization and shall be incorporated within the state/provincial/national statutes as such, developing Optimism as a philosophy of life, utilizing the tenets of the Optimist Creed; to promote an active interest in good government and civic affairs; to inspire respect for the law; to promote patriotism and work for international accord and friendship among all people; to aid and encourage the development of youth, in the belief that the giving of one's self in service to others will advance the wellbeing of humankind, community life and the world.*
4. *BYCOC is not a member of, or chartered or officially recognized by, The Boy Scouts Association or The Canadian Girl Guides Association.*
5. *BYOCC purchased roll-09400 from The Canadian Girl Guides Association on October 29, 2021*

Analysis

1. *Section 3 of the Assessment Act states that "All real property in Ontario is liable to assessment and taxation," subject to certain exemptions from taxation.*
2. *There is no provision in the Assessment Act that provides a broad exemption to all non-profit and/or charitable organizations. Per the section you have highlighted in green below, the organization must also operate with some public (i.e. government-sponsored) funding (as opposed to private donors).*
3. *Section 3 (1) 10 does not apply to roll -09400 because BYCOC is not a member of, or chartered or officially recognized by, The Boy Scouts Association or the Canadian Girl Guides Association.*
4. *No exemption provision applies to roll -09400, and as such is eligible for taxation.*

Conclusion

Section 3(1)1.ix of O.Reg 282/98 includes, in the residential property class, "land used for residential purposes on a seasonal basis, including campgrounds." As such, this section applies to the subject property, roll -09400, which is eligible for inclusion in the residential property class."

An initial inquiry about possible tax relief for this club was originally brought forward to administration in October 2021. Information regarding the rebate inquiry was provided to councillors Donald McArthur and Patricia Simone; no further enquiry was received until November 2022.

As a result of MPAC's review, the property is eligible for taxation in the residential property class pursuant to Section 33(3) of the Assessment Act, and the assessor was instructed to issue an OMIT to reflect that the property ceased to be eligible as of the sale date of October 29, 2021.

Charity Rebate

The municipality has a charity rebate program under County of Essex (Upper tier) Bylaw 05-2004 (attached Appendix A).

- The applicant must be a registered charity. The application is made by way of a letter to the Treasurer of the lower tier municipality (Amherstburg).
- The application letter must be submitted to the Treasurer of the lower tier municipality no later than the last day of February of the following year.
- The property must be CT (Commercial) or (IT) Industrial class.

- The 40% rebate is applied to and shared by the upper tier and the lower tiers and school boards.
- Taxes must be paid (current) in order to receive a rebate.

The application letter must include the following:

- Charity Name
- Charitable tax number
- Owner of the property
- Address, legal description of the property and the roll number
- Proof that taxes are current (paid)

3. **DISCUSSION:**

Class Change to Residential

Bryerswood Youth Camp Optimist Club was purchased from Girl Guides of Canada on October 29, 2021.

Our records indicate this property was exempt from taxation until sale which resulted in the change of ownership. Effective October 29, 2021 MPAC changed the class from E Exempt to RT Residential, after reviewing property classification with regards to the Assessment Act.

As directed by MPAC, under Omit Assessment run, the change in CVA from Exempt Class to Residential Class resulted in a supplementary billing for an omitted assessment covering the period from October 29, 2021, thru Dec 31, 2022. Subsequently, our office issued a supplementary billing on November 14, 2022, with the due date being Dec 30, 2022.

MPAC is the governing body that assesses and designates all property classifications in Ontario. The Property owner has the option to appeal any assessment decision by completing a request for reconsideration. To appeal the 2022 taxation year, the request for reconsideration (RfR) must be received by MPAC no later than March 31, 2023. The easiest way for a property owner to do this is through the MPAC portal, at [AboutMyProperty.ca](https://www.aboutmyproperty.ca). If the property owner still disagrees with MPAC's assessment or classification of the property, they have the right to appeal to the Assessment Review Board within 90 days of MPAC's response.

The charity rebate only applies to commercial or industrial classes. However, if the property were eligible, they could apply for a 40% rebate. The Municipal share would be 61% of the approved rebate, with 39% being Essex County's share.

Separate from the charity rebate program controlled by the County of Essex as the upper tier, the lower tier municipality could provide an in-kind grant to provide tax relief. This relief has been granted in the past, however, would be solely at the Municipality's expense. None of the relief granted would be shared by the County of Essex or the school boards.

Current Tax Rates (excerpt):

Class	Municipal	Cap Reserve	Cap Replace	County	School	total		Rebate	Rebated Rate
Commercial	0.01065005	0.00027917	0.00027917	0.00537518	0.00880000	0.02538357		0.0101534	0.01523014
Industrial	0.01911911	0.00050118	0.00050118	0.00964959	0.00880000	0.03857106		0.0154284	0.02314264
Residential	0.00984253	0.00025801	0.00025801	0.00496761	0.00153000	0.01685616			0.01685616

Rate differential between Commercial Rebated and Residential Rate

0.0016260

9.65%

4. **RISK ANALYSIS:**

The risk associated with Council granting tax relief on a residential-class property could be one of inequality and opening the door for other property owners to request or expect the same consideration. This could have an unknown impact on the budget based on the number of property owners appealing to council for consideration.

The risk could be mitigated or limited by Council setting a process for review with criteria and a fixed dollar limit, to apply for tax relief/grant.

5. **FINANCIAL MATTERS:**

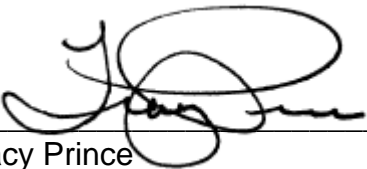
There is no direct financial implication to the Town as a result of this report. The amount of tax revenue is included in the base budget calculation. In the event that Council provides relief of some dollar amount that will reduce the amount of tax revenue collected it will equivalently have a direct impact on the financial position.

6. **CONSULTATIONS:**

Elke – Supervisor of Revenue
MPAC
County of Essex

7. **CONCLUSION:**

Council receives this report for information purposes, and consideration for the 2023 Operating Budget discussion.



Tracy Prince
Director of Corporate Services/CFO

Report Approval Details

Document Title:	Property Tax Rebate Program Camp.docx
Attachments:	- Ic 16-2007 - Establish Property Tax Rebates for Charitable Organizations and Similar Organizations in the County of Essex.pdf
Final Approval Date:	Jan 18, 2023

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



Valerie Critchley



Kevin Fox