

Policy: Fire Damaged Property - Policy on Tax Reduction

Date Originally Approved: November 27, 2003

**Motion: "That Council approve the Fire Damaged Property -
Policy on Tax Reduction as amended." Motion carried.**

This Policy is current as of: January 6, 2004

Municipality of Colchester
Fire Damaged Property - Policy on Tax Reduction

Introduction

Section 69A of the *Municipal Government Act* allows Council, by policy, to provide for the reduction, to the extent that is considered appropriate, of the taxes payable with respect to a property if a building situated on the property has been destroyed or partially destroyed by fire, and provides for the reimbursement of any overpayment resulting from the reduction.

Terms of the Policy

1. This Policy shall apply to residential assessments only.
2. For the purpose of this Policy, “taxes” includes all applicable area rates which are calculated by reference to assessed values.
3. A taxpayer may submit a written request to the County Treasurer asking for a reduction in, or reimbursement of, their taxes, if their principal residence has been damaged or destroyed by fire. The request shall include a sworn declaration confirming the date, cause and extent of the damage, the location of the property and eligibility pursuant to section 4 of this Policy.
4. This reimbursement or reduction shall only apply to owners
 - a. who occupy the property as that owner's principal residence;
 - b. who have no intention of repairing the burnt structure within 6 months of the application date (and tidying up or securing a fire site to avoid injury, unsightliness or further deterioration of the property shall not be deemed a repair for purposes of this paragraph); and
 - c. in the case of real property only, who have no intention of replacing the burnt structure within 6 months of the application date.
5. Upon receipt of the request the Clerk shall submit a written request to the Director of Assessment to value the property and, for purposes of this Policy, shall submit a valuation to the Municipality, which shall be treated as if it were an interim assessment as described more particularly below.
6. The valuation must be at least 25% lower than the original assessment for the Municipality to proceed with a tax reduction under this Policy.
7. The Municipality will then prorate the tax reduction, based on the difference between the valuation and the original assessment, for the remaining portion of the taxation year, from the date of the fire until March 31.

8. If the damage is too late to be reflected in the annual assessment of December 1st for the following taxation year, then the tax reduction shall be in effect for that following taxation year as well.
9. The tax reduction shall not follow into future years as the taxpayer has the option of appealing their assessment if it continues to reflect pre-fire values.
10. A Taxpayer has 90 days, from the date of the fire, to apply for this tax reduction except that for taxpayers who would otherwise be eligible in respect of fires that occurred prior to the adoption of the Policy but within 12 months of that date, applications may be made within 90 days of the adoption of this Policy.
11. Taxpayers who have obtained a reduction under this Policy, but who in fact repair or replace the burnt structure within 6 months contrary to their stated intentions pursuant to paragraph 4 shall be ineligible for the tax reduction notwithstanding the acceptance by the Municipality of their application, and shall pay the taxes otherwise payable on the property and any interest thereon.

Clerk's Annotation For Official Policy Book	
Date of Notice to Council Members of Intent to Consider (7 days minimum): <u>November 7, 2003</u>	
Date of Passage of Current Policy: <u>November 27, 2003</u>	
I certify that this Policy was adopted by Council as indicated above.	
_____	<u>January 7, 2004</u>
Municipal Clerk	Date