



Report to: General Committee

Meeting Date: May 24, 2022

SUBJECT: Cancellation, Reduction, or Refund of Taxes under Sections 357 and 358 of the Municipal Act, 2001

PREPARED BY: Shane Manson, Senior Manager, Revenue & Property Tax

RECOMMENDATION:

1. That the Report for the Cancellation, Reduction or Refund of Taxes under Sections 357 and 358 of the *Municipal Act, 2001* be received; and,
2. That taxes totalling approximately \$374,170 be adjusted under Section 357 and 358 of the *Municipal Act, 2001* of which the City's portion is estimated to be \$75,148; and,
3. That the associated interest be cancelled in proportion to the tax adjustments; and,
4. That the Treasurer be directed to adjust the Collector's Roll accordingly; and,
5. That staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report is to authorize the Treasurer to adjust the Collector's Roll under Section 357 and 358 of the *Municipal Act, 2001 (The Act)*.

BACKGROUND:

Sections 357 and 358 of *The Act* allows for the reduction, cancellation or refund of taxes. Section 357 subsection (1) states that: upon application to the Treasurer of a local municipality, the local 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 if:

- a. if a property or portion of a property is eligible to be reclassified in a different class of property, and that class has a lower tax ratio for the taxation year than the class the property or portion of the property was in before the change, and if no supplementary assessment is made in respect of the change under subsection 34(2) of the *Assessment Act*;
- b. property that has become vacant land or excess land during the year;
- c. property that has become exempt from taxation during the year;
- d. building that during the year was razed by fire, demolition or otherwise, or was damaged by fire, demolition or otherwise so as to render it substantially unusable for the purposes for which it was used immediately prior to the damage;
- d.1. person who was unable to pay taxes because of sickness or extreme poverty;
- e. mobile unit that was removed from the land during the year;

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- f. property overcharged by reason of any gross or manifest error that is a clerical error, the transposition of figures, a typographical error or similar type of error, but not an error in judgment in making the assessment upon which the taxes have been levied; or
 - g. in respect of a property which by reason of repairs or renovations could not be used for its normal use for a period of at least three months during the year.

Pursuant to Section 357 subsection (3), an application 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.

Pursuant to Section 358 subsection (3), an application must be filed with the Treasurer between March 1 and December 31 of a year and may apply to taxes levied for one or both of the two years preceding the year in which the application is made and the application shall indicate to which year or years it applies. This section permits applications for tax adjustment, related to taxes levied in each or either of the two years preceding the year in which the application is made, by owners who are overcharged by reason of any gross or manifest error in the preparation of the assessment roll by the Municipal Property Assessment Corporation (MPAC) that was factual in nature. This may include, but is not limited to; clerical errors, the transposition of figure or typographical errors, but not an error in judgment in making the assessment upon which the taxes have been levied.

OPTIONS/ DISCUSSION:

In accordance with *The Act*, the notices of hearing for the properties listed in Appendix B, were mailed to the applicants fourteen days before the date of which the applications are heard. The notices for these properties were mailed to applicants on May 10, 2022.

The schedules attached identify the associated year of taxation, the assessment roll number of each property, the reason for the tax appeal, the resulting tax adjustment along with the proportionate share for the City, Region, and School Board. There are four (4) primary reasons for a property tax appeal application to be filed:

1. Razed by Fire / Demolition / Unusable: representing properties that have experienced a structural fire, structural demolition or deemed unusable. All such applications include a copy of the applicable permit and associated documentation.
2. Became Exempt: representing properties that were assessed on the assessment roll as taxable, but became exempt from taxation during the year;
3. Gross or Manifest Error: representing properties that require the property assessment to be amended due to errors identified in the overall valuation of the property.
4. Change in Tax Class: representing properties that were assessed on the assessment roll as one tax class, but became eligible to be reclassified into a different property during the year.

Applications received by the City are sent to MPAC for review and are returned with either a recommendation for tax adjustment or with no recommendation; which results in no

associated tax adjustment. Applications that receive this type of recommendation indicate that the tax appeal does not meet the specified criteria under *The Act*. These applications have been reviewed and it was determined that they are not eligible for relief.

Of the 51 properties receiving tax adjustments totalling \$374,170, 74.93% or \$280,349 is attributable to six properties described below.

1. 1936 020 140 08500 (4261 Hwy 7)
This property is located on the south side of Hwy 7. west of Main St. Unionville. The property was leased to the Region of York starting in December 2019, which has changed its tax class to exempt. The resulting total tax adjustment for the 2020 and 2021 taxation years \$146,142, of which the City's proportionate share is \$19,605.
2. 1936 020 127 04729 (0 Verdale Cross)
This property is located on the east side of Birchmount Rd., north of Enterprise Blvd. The property was conveyed to the City of Markham in November 2018 as green space/parkland, which has changed its tax class to exempt. The resulting total tax adjustment for the 2019, 2020 and 2021 taxation years \$30,823, of which the City's proportionate share is \$7,529.
3. 1936 020 127 04728 (0 Andre De Grasse St.)
This property is located on the east side of Birchmount Rd., north of Enterprise Blvd. The property was conveyed to the City of Markham in November 2018 as green space/parkland, which has changed its tax class to exempt. The resulting total tax adjustment for the 2019, 2020 and 2021 taxation years \$29,215, of which the City's proportionate share is \$7,137.
4. 1936 020 127 04721 (0 Birchmount Rd.)
This property is located on the east side of Birchmount Rd., north of Enterprise Blvd. The property was conveyed to the City of Markham in November 2018 as green space/parkland, which has changed its tax class to exempt. The resulting total tax adjustment for the 2019, 2020 and 2021 taxation years \$26,636, of which the City's proportionate share is \$6,507.
5. 1936 020 127 04720 (0 Birchmount Rd.)
This property is located on the east side of Birchmount Rd., north of Enterprise Blvd. The property was conveyed to the City of Markham in November 2018 as green space/parkland, which has changed its tax class to exempt. The resulting total tax adjustment for the 2019, 2020 and 2021 taxation years \$24,860, of which the City's proportionate share is \$6,073.
6. 1936 020 127 04725 (0 Rouge Valley Dr. W)
This property is located on the west side of Birchmount Rd., north of Enterprise Blvd. The property conveyed to the City of Markham in November 2018 as green space/parkland, which has changed its tax class to exempt. The resulting total tax

adjustment for the 2019, 2020 and 2021 taxation years \$22,673, of which the City's proportionate share is \$5,539.

FINANCIAL CONSIDERATIONS

As illustrated in figure 1 below, Markham's portion of the total tax adjustments is \$75,148. The remaining proportionate amounts noted in figure 1 below will be charged back accordingly to the levying bodies.

Figure 1: Tax Adjustments by Levying Body	
City of Markham	\$75,148
Region of York	\$158,026
Province of Ontario (<i>Education</i>)	\$140,996
Total Tax Adjustment	\$374,170

The City of Markham annually budgets for property tax adjustments, which come as a result of assessment appeals and from tax appeals filed under Section 357 and 358 of the *Municipal Act, 2001*. The 2022 property tax adjustment budget is \$1,301,000, which will fund the City's portion of the total tax adjustments noted in figure 1 above.

The remaining property tax adjustment budget will fund other tax adjustments received throughout 2022. Staff will report back with additional details through the year-end results of operations report.

HUMAN RESOURCES CONSIDERATIONS

Not applicable

ALIGNMENT WITH STRATEGIC PRIORITIES:

Not applicable

BUSINESS UNITS CONSULTED AND AFFECTED:

Not applicable

RECOMMENDED BY:

Joel Lustig

Trinela Cane

ATTACHMENTS:

Appendix A – Tax Adjustments under Section 357 and 358 - Report Total Summary

Appendix B – Tax Adjustments under Section 357 & Section 358 - Tax Adjustment Detailed List

APPENDIX A

Tax Adjustments under Section 357 and 358 - Report Total Summary

Appeal Reason	Total Tax Adjustment	City Tax Adjustment Share	Appeal Count
Became Exempt	\$359,553	\$71,732	45
Razed by Fire / Demolition / Unusable	\$13,922	\$3,376	5
Change in Tax Class	\$695	\$40	1
Total	\$374,170	\$75,148	51

APPENDIX B
Tax Adjustments under Section 357 & Section 358 - Tax Adjustments Detailed List

TAX APPEALS: SECTION 357 - RESIDENTIAL					
Tax Year	Application	Roll Number	Property Address	Appeal Reason	Amount
2021	5010	36-01-0-010-29600-0000	81 WOODWARD AVE	Demolished/Razed-Fire/Usable	\$7,808
2021	4954	36-01-0-020-99600-0000	193 CLARK AVE	Demolished/Razed-Fire/Usable	\$456
2021	4994	36-01-0-089-47600-0000	18 FOREST PARK CRES	Demolished/Razed-Fire/Usable	\$2,310
2021	5033	36-02-0-160-00540-0000	6 WILMONT CRT	Demolished/Razed-Fire/Usable	\$1,342
2021	5012	36-02-0-170-88600-0000	2 LADYSLIPPER CRT	Demolished/Razed-Fire/Usable	\$2,007
2021	5036	36-03-0-258-15642-0000	2711 BUR OAK AVE	Change in Tax Class	\$695
2021	4976	36-04-0-320-17800-0000	0 SARAH JANE CRT S/S	Became Exempt	\$1,709
Total S.357 Residential				7 Appeals	\$16,327

TAX APPEALS: SECTION 357 - NON-RESIDENTIAL					
Tax Year	Application	Roll Number	Property Address	Appeal Reason	Amount
2019	5038	36-02-0-127-04720-0000	0 BIRCHMOUNT RD	Became Exempt	\$8,087
2019	5042	36-02-0-127-04721-0000	0 BIRCHMOUNT RD	Became Exempt	\$8,665
2019	5054	36-02-0-127-04725-0000	0 ROUGE VALLEY DR W	Became Exempt	\$7,376
2019	5058	36-02-0-127-04726-0000	0 ROUGE VALLEY DR W	Became Exempt	\$9,188
2019	5062	36-02-0-127-04728-0000	0 ANDRE DE GRASSE ST	Became Exempt	\$9,504
2019	5066	36-02-0-127-04729-0000	0 VERDALE CROSS	Became Exempt	\$10,027
2020	5039	36-02-0-127-04720-0000	0 BIRCHMOUNT RD	Became Exempt	\$8,355
2020	5043	36-02-0-127-04721-0000	0 BIRCHMOUNT RD	Became Exempt	\$8,952

TAX APPEALS: SECTION 357 - NON-RESIDENTIAL

2020	5055	36-02-0-127-04725-0000	0 ROUGE VALLEY DR W	Became Exempt	\$7,620
2020	5059	36-02-0-127-04726-0000	0 ROUGE VALLEY DR W	Became Exempt	\$9,492
2020	5063	36-02-0-127-04728-0000	0 ANDRE DE GRASSE ST	Became Exempt	\$9,819
2020	5067	36-02-0-127-04729-0000	0 VERDALE CROSS	Became Exempt	\$10,359
2020	5015	36-02-0-140-08500-0000	4261 HWY 7	Became Exempt	\$73,320
2021	5040	36-02-0-127-04720-0000	0 BIRCHMOUNT RD	Became Exempt	\$8,418
2021	5044	36-02-0-127-04721-0000	0 BIRCHMOUNT RD	Became Exempt	\$9,019
2021	5056	36-02-0-127-04725-0000	0 ROUGE VALLEY DR W	Became Exempt	\$7,677
2021	5060	36-02-0-127-04726-0000	0 ROUGE VALLEY DR W	Became Exempt	\$9,563
2021	5064	36-02-0-127-04728-0000	0 ANDRE DE GRASSE ST	Became Exempt	\$9,892
2021	5068	36-02-0-127-04729-0000	0 VERDALE CROSS	Became Exempt	\$10,437
2021	4978	36-02-0-136-57205-0000	ON 3 PT LT17 RP 65R36211 PTS 5 AND 6	Became Exempt	\$57
2021	5006	36-02-0-140-00368-0000	379 ROUGESIDE PROM	Became Exempt	\$196
2021	5009	36-02-0-140-00373-0000	423 ROUGESIDE PROM	Became Exempt	\$259
2021	5003	36-02-0-140-00393-0000	0 ROUGESIDE PROM	Became Exempt	\$209
2021	5000	36-02-0-140-00418-0000	0 BIRCHMOUNT RD	Became Exempt	\$304
2021	5016	36-02-0-140-08500-0000	4261 HWY 7	Became Exempt	\$72,822
2021	4964	36-03-0-213-99200-0000	8055 MCCOWAN RD	Became Exempt	\$6,696
2021	4967	36-03-0-214-00500-0000	8135 MCCOWAN RD	Became Exempt	\$5,222
2021	4970	36-03-0-214-15300-0000	0 MARKHAM RD W/S	Became Exempt	\$2,253
Total S.357 Non-Residential				28 Appeals	\$323,787

TAX APPEALS: SECTION 358 -RESIDENTIAL					
Tax Year	Application	Roll Number	Property Address	Appeal Reason	Amount
2019	4974	36-04-0-320-17800-0000	0 SARAH JANE CRT S/S	Became Exempt	\$1,727
2020	4975	36-04-0-320-17800-0000	0 SARAH JANE CRT S/S	Became Exempt	\$1,696
Total S.358 Residential				2 Appeals	\$3,423

TAX APPEALS: SECTION 358 - NON-RESIDENTIAL					
Tax Year	Application	Roll Number	Property Address	Appeal Reason	Amount
2019	5004	36-02-0-140-00368-0000	379 ROUGESIDE PROM	Became Exempt	\$186
2019	5007	36-02-0-140-00373-0000	423 ROUGESIDE PROM	Became Exempt	\$246
2019	5001	36-02-0-140-00393-0000	0 ROUGESIDE PROM	Became Exempt	\$200
2019	4998	36-02-0-140-00418-0000	0 BIRCHMOUNT RD	Became Exempt	\$290
2019	4962	36-03-0-213-99200-0000	8055 MCCOWAN RD	Became Exempt	\$6,981
2019	4965	36-03-0-214-00500-0000	8135 MCCOWAN RD	Became Exempt	\$5,444
2019	4968	36-03-0-214-15300-0000	0 MARKHAM RD W/S	Became Exempt	\$2,260
2020	5005	36-02-0-140-00368-0000	379 ROUGESIDE PROM	Became Exempt	\$195
2020	5008	36-02-0-140-00373-0000	423 ROUGESIDE PROM	Became Exempt	\$258
2020	5002	36-02-0-140-00393-0000	0 ROUGESIDE PROM	Became Exempt	\$207
2020	4999	36-02-0-140-00418-0000	0 BIRCHMOUNT RD	Became Exempt	\$302
2020	4963	36-03-0-213-99200-0000	8055 MCCOWAN RD	Became Exempt	\$6,646
2020	4966	36-03-0-214-00500-0000	8135 MCCOWAN RD	Became Exempt	\$5,183
2020	4969	36-03-0-214-15300-0000	0 MARKHAM RD W/S	Became Exempt	\$2,236
Total S.358 Non-Residential				14 Appeals	\$30,633

Total	51	\$374,170
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