



Report to: General Committee

Meeting Date: May 23, 2023

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 \$175,191 (incl. \$2,556 of Stormwater Fees) be adjusted under Section 357 and 358 of the *Municipal Act, 2001* of which the City's tax portion is estimated to be \$34,259; 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 9, 2023.

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 experience a structural fire, structural demolition or 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 31 properties receiving tax adjustments totalling \$172,635 (excl. Stormwater Fee), 76.5% or \$132,086 is attributable to 10 properties described below.

1. 1936 020 126 65015 (*0 14th Avenue*)
This property is located on the north side of 14th Avenue, east of Birchmount Road. The property was purchased by the City of Markham in September 2022, which has changed its tax class to exempt. The resulting total tax adjustment for the 2022 taxation year is \$37,040, of which the City's proportionate share is \$4,393.
2. 1936 020 140 32807 (*0 Village Parkway*)
This property is located on the west side of Village Parkway, north of Highway 7. The property was purchased by the York Region District School Board in July 2022, which has changed its tax class to exempt. The resulting total tax adjustment for the 2022 taxation year is \$13,498, of which the City's proportionate share is \$3,266.
3. 1936 020 132 67500 (*36 Apple Creek Boulevard*)
This property is located on the north side of Apple Creek Boulevard., east of Woodbine Avenue. The demolition of the main structure on the property was completed in October 2022, resulting in a reduced assessed value. The resulting total tax adjustment for the 2022 taxation year is \$13,302, of which the City's proportionate share is \$2,517.
4. 1936 010 010 29600 (*81 Woodward Avenue*)
This property is located on the north side of Steeles Avenue East, east of Yonge Street. The demolition of the main structure on the property was completed in 2021, resulting in a reduced assessed value. The 2021 tax appeal was approved in the 2022 report. The resulting total tax adjustment for the 2022 taxation year is \$11,301, of which the City's proportionate share is \$2,734.
5. 1936 020 127 04729 (*0 Verdale Crossing*)
This property is located on the east side of Birchmount Road, north of Enterprise Boulevard. 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 2022 taxation year is \$10,636, of which the City's proportionate share is \$2,573.
6. 1936 020 138 54900 (*12 Sylvia Court*)
This property is located on the east side of Woodbine Avenue, south of Major Mackenzie Drive East. The property was issued an occupancy permit on November 30, 2021. However, a supplementary assessment was issued by MPAC for the newly constructed home with an effective date of July 28, 2021. The total tax adjustment resulting from the effective date change is \$10,376, of which the City's proportionate share is \$2,516.

7. 1936 020 127 04728 (0 Andre De Grasse Street)

This property is located on the east side of Birchmount Road, north of Enterprise Boulevard. 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 2022 taxation years \$10,082, of which the City's proportionate share is \$2,439.

8. 1936 020 160 00540 (6 Wilmont Court)

This property is located on the east side of Woodbine Avenue, north of Major Mackenzie Drive East. The property was seized due to a grow operation and the structures have been demolished with reconstruction in progress, resulting in a reduced assessed value. The resulting total tax adjustment for the 2022 taxation years \$8,843, of which the City's proportionate share is \$2,140.

9. 1936 020 127 04720 (0 Birchmount Road)

This property is located on the east side of Birchmount Road, north of Enterprise Boulevard. 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 2022 taxation year \$8,579, of which the City's proportionate share is \$2,076.

10. 1936 040 270 07600 (373 Main Street North)

This property is located on the east side of Main Street North, south of 16th Avenue. The property was incorrectly classified as commercial tax class and was revised to residential. The resulting total tax adjustment for the 2022 taxation year \$8,429, of which the City's proportionate share is \$703.

FINANCIAL CONSIDERATIONS

As illustrated in figure 1 below, Markham's portion of the total tax adjustments is \$34,259. 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	\$34,259
Region of York	\$73,671
Province of Ontario (<i>Education</i>)	\$64,705
Total Tax Adjustment	\$172,635
Stormwater Fee	\$2,556
Total Adjustment	\$175,191

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 2023 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 2023. 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:

X

Mark Visser
Acting Treasurer

X

Trinela Cane
Commissioner, Corporate Services

ATTACHMENTS:

Appendix A – Tax Adjustments under Section 357 and 358 of the *Municipal Act, 2001*

Appendix B – Tax Adjustments Detailed List

APPENDIX ATax Adjustments under Section 357 and 358 of the *Municipal Act, 2001*

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Report Total (excl. Stormwater Fee)

Appeal Reason	Total Adjusted Amount	City Adjusted	Appeal Count
Gross or Manifest Error	\$20,469	\$3,717	5
Became Exempt	\$93,321	\$18,010	7
Razed by Fire / Demolition / Unusable	\$58,845	\$12,532	19
Total	\$172,635	\$34,259	31

APPENDIX B

**Tax Adjustments under Section 357 & Section 358 – Tax Adjustments Detailed List
(excl. Stormwater Fee)**

TAX APPEALS: SECTION 357 - RESIDENTIAL					
Tax Year	Application	Roll Number	Property Address	Appeal Reason	Amount
2021	5127	36-03-0-231-95122	115 BUR OAK AVE	Razed by fire	\$1,696
2022	5091	36-01-0-010-29600	81 WOODWARD AVE	Demolition of structure	\$11,301
2022	5104	36-01-0-020-79600	62 MORGAN AVE	Demolition of structure	\$1,648
2022	5080	36-01-0-070-32500	7 BRIGHTBAY CRES	Demolition of structure, new structure under construction	\$2,187
2022	5094	36-01-0-085-13400	16 WILD CHERRY LANE	Demolition of structure, new structure under construction	\$1,963
2022	5101	36-01-0-089-47600	18 FOREST PARK CRES	Razed by Fire – structure under repair	\$2,354
2022	5100	36-02-0-111-00626	18 FLOWERVALE RD	Basement reverted to unfinished state	\$239
2022	5090	36-02-0-133-50036	2 BRANTWOOD CRT	Razed by fire	\$674
2022	5092	36-02-0-142-14500	180 KRIEGHOFF AVE	Razed by fire	\$1,160
2022	5078	36-02-0-160-00540	6 WILMONT CRT	Demolition of structure, new structure under construction	\$8,843
2022	5115	36-02-0-170-82500	24 WILDROSE CRES	Swimming pool filled in	\$148
2022	5077	36-03-0-210-88266	68 FINCHLEY CIR	Razed by fire	\$808
2022	5095	36-03-0-211-74350	49 SANDHAM CRES	Razed by fire	\$209
2022	5089	36-03-0-214-75974	111 RUSSELL JARVIS DR	Razed by fire	\$273
2022	5126	36-03-0-231-95122	115 BUR OAK AVE	Razed by fire	\$735
2022	5110	36-04-0-270-07600	373 MAIN ST N	Correction to tax class	\$8,429
2022	5114	36-04-0-300-56200	69 ROBINSON ST	Demolition of structure, new structure under construction	\$1,491
Total s.357 Residential				17 Appeals	\$44,158

TAX APPEALS: SECTION 358 - RESIDENTIAL					
Tax Year	Application	Roll Number	Property Address	Appeal Reason	Amount
2021	5098	36-02-0-138-54900	12 SYLVIA CRT	Correct error in occupancy date	\$10,376
Total s.358 Residential				1 Appeals	\$10,376

TAX APPEALS: SECTION 357 - NON - RESIDENTIAL					
Tax Year	Application	Roll Number	Property Address	Appeal Reason	Amount
2021	5013	36-03-0-223-95240	4600 HWY 7	Demolition of structure, new structure under construction	\$1,531
2022	5086	36-02-0-126-65015	0 14 TH AVE	Became Exempt, purchased by City	\$37,040
2022	5105	36-02-0-126-68300	140 DUFFIELD DR	Correction to tax class	\$1,277
2022	5041	36-02-0-127-04720	0 BIRCHMOUNT RD	Became Exempt, conveyed to the City	\$8,579
2022	5057	36-02-0-127-04725	0 ROUGE VALLEY DR	Became Exempt, conveyed to the City	\$7,824
2022	5065	36-02-0-127-04728	0 ANDRE DE GRASSE ST	Became Exempt, conveyed to the City	\$10,082
2022	5069	36-02-0-127-04729	0 VERDALE CROSS	Became Exempt, conveyed to the City	\$10,636
2022	5088	36-02-0-132-67500	36 APPLE CREEK BLVD	Demolition of structure	\$13,302
2022	5084	36-02-0-140-31809	0 WILLIAM SAVILLE ST	Became Exempt, purchased by York Region District School Board	\$5,662
2022	5082	36-02-0-140-32807	0 VILLAGE PKY	Became Exempt, purchased by York Region District School Board	\$13,498
2022	5129	36-02-0-140-35300	4038 HWY 7	Demolition of structure	\$7,957
2022	5113	36-04-0-272-13040	48 SNIDER DR	Demolition of structure	\$416
2022	5112	36-04-0-272-13405	50 SNIDER DR	Demolition of structure	\$297
Total s.357 Non-Residential				13 Appeals	\$118,101

Grand Total		31 Appeals	\$172,635
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