



Report to: General Committee

Meeting Date: April 30, 2024

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 the taxes totalling approximately \$591,462 (incl. \$6,410 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 \$109,785; and,
3. That the associated interest be cancelled in proportion to the tax adjustments; and,
4. That the Treasurer be directed to adjust the tax 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 April 9, 2024.

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 submitted to the City undergo review by MPAC. Following this review, they are returned with either a recommendation for tax adjustment or without any recommendation. Applications without a recommendation indicate that the tax appeal does not meet the specified criteria under The Act. These applications, totalling 15, have been thoroughly reviewed and deemed ineligible for relief.

Among the 66 properties that received tax adjustments, the total adjustment amount is \$591,462 (including a \$6,410 Stormwater Fee). Notably, 69.4% or \$410,453 of this total is attributable to just 4 properties, which are described below.

1. 1936 010 081 55410 (*7750 Bayview Avenue*)

This property is located on the west side of Bayview Avenue, north of John Street. The property was purchased by the City of Markham in January 2023, which has changed a portion of its tax class to exempt. The resulting total tax adjustment for the 2023 taxation year is \$117,305, of which the City's proportionate share is \$18,507.

2. 1936 030 212 17505 (*0 Kirkham Drive*)

This property is located on the south side of Kirkham Drive, east of Markham Road. The property was conveyed to the City of Markham in 2020, upon review its tax class has been changed to exempt. The resulting total tax adjustment for the 2021-23 taxation years is \$101,645, of which the City's proportionate share is \$23,579.

3. 1936 020 121 42260 (*85 Torbay Road*)

This property is located on the east side of Woodbine Avenue, north of Steeles Avenue East. The property was purchased by the City of Markham in May 2021, which has changed its tax class to exempt. The resulting total tax adjustment for the 2021-23 taxation years is \$97,206, of which the City's proportionate share is \$13,234.

4. 1936 020 121 42250 (*55 Torbay Road*)

This property is located on the east side of Woodbine Avenue, north of Steeles Avenue East. The property was purchased by the City of Markham in May 2021, which has changed its tax class to exempt. The resulting total tax adjustment for the 2021-23 taxation years is \$94,297, of which the City's proportionate share is \$12,952.

FINANCIAL CONSIDERATIONS

As shown in Figure 1 below, Markham's share of the total tax adjustments amounts to \$109,785. The remaining proportionate amounts, detailed in Figure 1, will be charged back to the other two levying bodies (Region of York and Province of Ontario).

Figure 1: Tax Adjustments by Levying Body	
City of Markham	\$109,785
Region of York	\$236,676
Province of Ontario (<i>Education</i>)	\$238,591
Total Tax Adjustment	\$585,052
Stormwater Fee	\$6,410
Total Adjustment	\$591,462

The City of Markham annually budgets for property tax adjustments, which come as a result of assessment appeals and from tax appeals filed under either the *Assessment Act* or *Municipal Act, 2001*. The 2024 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 2024. 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:

Joseph Silva
Treasurer

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 A

Tax Adjustments under Section 357 and 358 of the *Municipal Act, 2001*
April 30, 2024 - General Committee Meeting

Appeal Reason	Total Adjusted Amount	City Adjusted	Appeal Count
Gross or Manifest Error	\$27,874	\$5,463	6
Became Exempt	\$523,511	\$97,302	47
Razed by Fire / Demolition / Unusable	\$33,667	\$7,020	13
Total	\$585,052	\$109,785	66

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
2023	5158	36-01-0-010-23100-0000	118 HIGHLAND PARK BLVD	Damaged by fire/unusable	\$379
2023	5175	36-01-0-010-43800-0000	17 GRANDVIEW AVE	Became Exempt, Purchased by City	\$7,495
2023	5166	36-01-0-089-47600-0000	18 FOREST PARK CRES	Demolished/ Razed by fire	\$2,419
2023	5165	36-02-0-133-50036-0000	2 BRANTWOOD CRT	Demolished/ Razed by fire	\$2,717
2023	5153	36-02-0-133-51252-0000	34 CARNFORTH DR	Demolished/ Razed by fire	\$108
2023	5186	36-02-0-140-00398-0000	0 BIRCHMOUNT RD	Became Exempt, Purchased by City	\$398
2023	5192	36-02-0-140-00403-0000	0 BIRCHMOUNT RD	Became Exempt, Purchased by City	\$278
2023	5189	36-02-0-140-00408-0000	0 WARDEN AVE	Became Exempt, Purchased by City	\$3,870
2023	5195	36-02-0-140-00413-0000	0 BIRCHMOUNT RD	Became Exempt, Purchased by City	\$484
2023	5198	36-02-0-140-00443-0000	0 BIRCHMOUNT RD	Became Exempt, Purchased by City	\$176
2023	5201	36-02-0-140-00460-0000	0 WARDEN AVE	Became Exempt, Purchased by City	\$2,710
2023	5204	36-02-0-140-00614-0000	0 ROUGESIDE PROM	Became Exempt, Purchased by City	\$2,903
2023	5207	36-02-0-140-00634-0000	0 VERDALE CROSS	Became Exempt, Purchased by City	\$50
2023	5213	36-02-0-140-00654-0000	260 ROUGESIDE PROM	Became Exempt, Purchased by City	\$437
2023	5148	36-02-0-143-30900-0000	202 CARLTON RD	Demolished/ Razed by fire	\$3,413
2023	5134	36-02-0-160-66500-0000	11172 WARDEN AVE	Demolished/ Razed by fire	\$1,995
2023	5164	36-02-0-180-18200-0000	31 VICTORIA AVE	Correction to tax class	\$1,007
2023	5143	36-03-0-210-15180-0000	129 WOODHALL RD	Damaged by fire/unusable	\$357
2023	5226	36-03-0-212-17505-0000	0 KIRKHAM DR	Became Exempt, Conveyed to the City	\$33,222
2023	5216	36-03-0-220-86405-0000	0 SOUTH UNIONVILLE AVE	Became Exempt, Purchased by City	\$11
2023	5219	36-03-0-221-00150-0000	0 IAN BARON AVE	Became Exempt, Purchased by City	\$129
2023	5150	36-03-0-221-45501-0000	0 DEVIATION RD	Correction to tax class	\$2,768
2023	5254	36-03-0-232-74926-0000	0 HAMMERSLY BLVD	Became Exempt, Purchased by City	\$272
2023	5222	36-03-0-235-07000-0000	6418 MAJOR MACKENZIE DR	Became Exempt, Purchased by City	\$4,434
2023	5230	36-03-0-256-10679-0000	0 CORNELL ROUGE BLVD	Became Exempt, Purchased by City	\$1,173

2023	5233	36-03-0-256-10681-0000	0 STAUFFER CRES	Became Exempt, Purchased by City	\$12,240
2023	5236	36-03-0-256-10682-0000	0 RUSTLE WOODS AVE	Became Exempt, Purchased by City	\$1,471
2023	5239	36-03-0-256-10683-0000	0 RUSTLE WOODS AVE	Became Exempt, Purchased by City	\$1,895
2023	5242	36-03-0-256-10684-0000	0 RUSTLE WOODS AVE	Became Exempt, Purchased by City	\$2,266
2023	5250	36-04-0-310-26600-0000	35 BAKERDALE RD	Demolished/ Razed by fire	\$1,263
2023	5154	36-04-0-330-00500-0000	0 MAIN ST S	Correction to tax class	\$5,056
2023	5146	36-04-0-350-65764-0000	7 SIR ECTOR CRT	Swimming pool filled in	\$292
Total s.357 Residential				32 Appeals	\$97,687

TAX APPEALS: SECTION 357 – NON-RESIDENTIAL

Tax Year	Application	Roll Number	Property Address	Appeal Reason	Amount
2023	5156	36-01-0-081-55410-0000	7750 BAYVIEW AVE	Became Exempt, Purchased by City	\$117,305
2023	5180	36-02-0-121-42250-0000	55 TORBAY RD	Became Exempt, Purchased by City	\$36,854
2023	5183	36-02-0-121-42260-0000	85 TORBAY RD	Became Exempt, Purchased by City	\$41,827
2023	5167	36-02-0-132-67700-0000	8885 WOODBINE AVE	Demolished/ Razed by fire	\$10,539
2023	5264	36-03-0-220-06500-0000	7997 KENNEDY	Demolished/ Razed by fire	\$8,571
Total s.357 Non-Residential				5 Appeals	\$215,097

TAX APPEALS: SECTION 358 - RESIDENTIAL

Tax Year	Application	Roll Number	Property Address	Appeal Reason	Amount
2022	5174	36-01-0-010-43800-0000	17 GRANDVIEW AVE	Became Exempt, Purchased by City	\$7,295
2021 / 2022	5138 / 5139	36-01-0-040-10242-0000	120 KIRK DR	Swimming pool filled in	\$358
2021 / 2022	5140 / 5141	36-02-0-133-50945-0000	24 LANCASHIRE RD	Gross/ Manifest Error	\$434
2021 / 2022	5184 / 5185	36-02-0-140-00398-0000	0 BIRCHMOUNT RD	Became Exempt, Purchased by City	\$767
2021 / 2022	5190 / 5191	36-02-0-140-00403-0000	0 BIRCHMOUNT RD	Became Exempt, Purchased by City	\$935
2021 / 2022	5187 / 5188	36-02-0-140-00408-0000	0 WARDEN AVE	Became Exempt, Purchased by City	\$3,998
2021 / 2022	5193 / 5194	36-02-0-140-00413-0000	0 BIRCHMOUNT RD	Became Exempt, Purchased by City	\$847
2021 / 2022	5196 / 5197	36-02-0-140-00443-0000	0 BIRCHMOUNT RD	Became Exempt, Purchased by City	\$589
2021 / 2022	5199 / 5200	36-02-0-140-00460-0000	0 WARDEN AVE	Became Exempt, Purchased by City	\$2,726

2021 / 2022	5202 / 5203	36-02-0-140-00614-0000	0 ROUGESIDE PROM	Became Exempt, Purchased by City	\$2,936
2021 / 2022	5205 / 5206	36-02-0-140-00634-0000	0 VERDALE CROSS	Became Exempt, Purchased by City	\$97
2021 / 2022	5211 / 5212	36-02-0-140-00654-0000	260 ROUGESIDE PROM	Became Exempt, Purchased by City	\$843
2021 / 2022	5162 / 5163	36-02-0-180-18200-0000	31 VICTORIA AVE	Correction to tax class	\$1,198
2021 / 2022	5224 / 5225	36-03-0-212-17505-0000	0 KIRKHAM DR	Became Exempt, Conveyed to the City	\$64,062
2021 / 2022	5214 / 5215	36-03-0-220-86405-0000	0 SOUTH UNIONVILLE AVE	Became Exempt, Purchased by City	\$20
2021 / 2022	5217 / 5218	36-03-0-221-00150-0000	0 IAN BARON AVE	Became Exempt, Purchased by City	\$249
2021 / 2022	5252 / 5253	36-03-0-232-74926-0000	0 HAMMERSLY BLVD	Became Exempt, Purchased by City	\$323
2021 / 2022	5220 / 5221	36-03-0-235-07000-0000	6418 MAJOR MACKENZIE DR	Became Exempt, Purchased by City	\$8,549
2021 / 2022	5228 / 5229	36-03-0-256-10679-0000	0 CORNELL ROUGE BLVD	Became Exempt, Purchased by City	\$2,262
2021 / 2022	5231 / 5232	36-03-0-256-10681-0000	0 STAUFFER CRES	Became Exempt, Purchased by City	\$23,603
2021 / 2022	5234 / 5235	36-03-0-256-10682-0000	0 RUSTLE WOODS AVE	Became Exempt, Purchased by City	\$2,837
2021 / 2022	5237 / 5238	36-03-0-256-10683-0000	0 RUSTLE WOODS AVE	Became Exempt, Purchased by City	\$3,655
2021 / 2022	5240 / 5241	36-03-0-256-10684-0000	0 RUSTLE WOODS AVE	Became Exempt, Purchased by City	\$4,371
2022	5147	36-04-0-350-65764-0000	7 SIR ECTOR CRT	Swimming pool filled in	\$284
2022	5145	36-04-0-351-21600-0000	148 CHURCH ST	Demolition of structure	\$1,264
Total s.358 Residential				25 Appeals	\$134,503

TAX APPEALS: SECTION 358 – NON-RESIDENTIAL					
Tax Year	Application	Roll Number	Property Address	Appeal Reason	Amount
2021 / 2022	5178 / 5179	36-02-0-121-42250-0000	55 TORBAY RD	Became Exempt, Purchased by City	\$57,442
2021 / 2022	5181 / 5182	36-02-0-121-42260-0000	85 TORBAY RD	Became Exempt, Purchased by City	\$55,378
2021	5168	36-03-0-213-47400-0000	120 TRAVAIL RD	Correction to tax class	\$10,629
2021	5152	36-04-0-300-08500-0000	8 DUBLIN	Correction to tax class	\$14,315
Total s.358 Non-Residential				4 Appeals	\$137,765
Total				66 Appeals	\$585,052