



Report to: General Committee

Report Date: April 27, 2015

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**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

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**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;
2. **AND THAT** taxes totalling approximately \$289,231.74 be adjusted under Section 357 (in the amount of \$283,938.17) and Section 358 (in the amount of \$5,293.57) of the *Municipal Act, 2001* of which the City's portion is estimated to be \$60,168.21;
3. **AND THAT** the associated interest be cancelled in proportion to the tax adjustments;
4. **AND THAT** the Treasurer be directed to adjust the Collector's Roll accordingly;
5. **AND 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 Sections 357 and 358 of the *Municipal Act, 2001 (The Act)*.

**BACKGROUND:**

Sections 357 and 358 of the *The Act* allow 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;
- 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.

Section 358 of *The Act* 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 property 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 an error of fact. 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. These applications relate to taxes levied in each or either of the two years preceding the year in 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.

### **OPTIONS/ DISCUSSION:**

In accordance with *The Act*, the Notices of Hearing for the properties listed in Appendix B, were delivered to the applicants not less than fourteen days before the date upon which the applications are to be dealt with (April 27<sup>th</sup>, 2015). The Notices of Hearing for these properties were mailed to affected taxpayers on April 8, 2015.

The schedules attached identify the associated year of taxation, the assessment roll number of each property, the reason for the tax appeal and the tax adjustment. The tax values include the City, Region, School Board and Federation of Agriculture share of taxes. There are four main reasons for these applications:

1. Razed or Demolished: relating to the demolition of a building on a property that reduced the tax burden. All such applications include a City Demolition Permit;
2. Became Exempt: representing properties that were assessed on the assessment roll as taxable, but became exempt during the year. They are properties that either were transferred during the year from a taxable owner to the City and therefore became exempt from tax (generally lands as part of subdivision agreements) or lands purchased by a school board and became exempt;
3. Gross or Manifest Error: resulting from errors by the Municipal Property Assessment Corporation (MPAC) on the assessment roll, which result in an overcharge of taxes; or

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4. Overcharge by Error: resulting from errors by the Municipal Property Assessment Corporation (MPAC) on the assessment roll, which caused an overcharge of taxes in one or both of the years preceding the current year.

In total, there were 92 applications received by the City that were sent to MPAC for review. These were returned with either a recommendation for tax adjustment or with no recommendation; which results in no associated tax adjustment. Applications that receive no recommendation indicate that the 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. There are 45 applications that have no recommendation, and as a result have no associated tax adjustment. The remaining 47 applications and associated tax adjustments are illustrated Appendix A.

Of the \$289,231.74 in total tax adjustments; 62.66% or \$181,245.33 is attributable to five properties, which are detailed below.

1. **1936 020 154 49350 – Prince of Wales Dr** - The property was purchased by the York Region District School Board on March 14, 2014. The property tax classification changed from residential to exempt resulting in a recommended total reduction of \$25,384.43.
2. **1936 030 231 08426 – Beckett Ave** - The property was purchased by the York Region District School Board on October 31, 2012. The property tax classification changed from residential to exempt resulting in a recommended total reduction of \$41,567.87.
3. **1936 030 256 13153 – Pearl Lake Rd** - The property was purchased by the York Region District School Board on June 17, 2013. The property tax classification changed from residential to exempt resulting in a recommended total reduction of \$36,152.91.
4. **1936 020 121 95000 – 20 Esna Park Dr** – A portion of this property was purchased by Malvern Chinese Free Methodist Church on April 8, 2011. The property tax classification changed from industrial to residential and exempt resulting in a recommended total reduction of \$32,572.15.
5. **1936 040 310 04900 – 5261 Highway 7** - A commercial plaza was demolished in October of 2011. The assessment and property tax classification changed from commercial occupied to commercial vacant land resulting in a recommended total reduction of \$45,567.97.

**FINANCIAL CONSIDERATIONS:**

The City of Markham's portion of taxes for the taxation years between 2011 and 2014 is estimated to be \$60,168.21. The amount of taxes adjusted for the Region of York and School Boards will be reflected on the 2015 payment submissions to these bodies.

**Figure 1 - Tax Adjustments by Levying Body**

<b>Tax Adjustments under Sections 357/358 of the <i>Municipal Act, 2001</i></b>	
City	\$60,168.21
Region	\$118,288.81
Education	\$110,774.72
<b>Total</b>	<b>\$289,231.74</b>

The City of Markham annually budgets for tax adjustments, which come as a result of assessment appeals, vacancy rebates and from tax adjustments under Sections 357/358 of the *Municipal Act, 2001*. The City of Markham's annual adjustment budget will be impacted by \$60,168.21 resulting from the Section 357/358 tax adjustments in this report.

**HUMAN RESOURCES CONSIDERATIONS**

Not applicable

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

Not applicable

**BUSINESS UNITS CONSULTED AND AFFECTED:**

None.

**RECOMMENDED BY:**

16/04/2015

X 

Joel Lustig  
Treasurer

17/04/2015

X 

Trinela Cane  
Commissioner, Corporate Services

**ATTACHMENTS:**

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

*Appendix B – Tax Adjustments Detailed List*

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**Appendix A**  
***Tax Adjustments under Section 357 & Section 358 of the Municipal Act, 2001***  
**April 27<sup>th</sup>, 2015 - General Committee Meeting**  
**Finance Department**  
**Report Total**

Description	Amount	Count
BECAME EXEMPT	\$203,816.70	22
RAZED, DEMOLISHED	\$73,987.28	20
GROSS OR MANIFEST ERROR	\$5,405.75	4
PROPERTY CLASS CHANGE	\$6,022.01	1
<b>Grand Total</b>	<b>\$289,231.74</b>	<b>47</b>

**Appendix B**  
**Tax Adjustments under the *Municipal Act, 2001***  
**Tax Adjustments Detailed List**

Tax Appeals: Section 357 - Residential					
Tax Year	Application #	Roll Number	Property Address	Remark	Total Amount
2012	4171	1936 020 132 48605	9084 Woodbine Ave	RAZED, DEMOLISHED	\$1,131.86
2012	4366	1936 030 212 07600	24 Eastvale Dr	RAZED, DEMOLISHED	\$984.41
2012	4174	1936 030 231 06500	4672 16th Ave	BECAME EXEMPT	\$12,869.45
2013	4320	1936 010 021 06300	56 Clark Ave	RAZED, DEMOLISHED	\$1,594.10
2013	4286	1936 030 211 62760	McCowan Rd	BECAME EXEMPT	\$92.70
2013	4293	1936 030 211 89944	562 Highglen Ave	GROSS OR MANIFEST ERROR	\$2.17
2013	4367	1936 030 212 07600	24 Eastvale Dr	RAZED, DEMOLISHED	\$2,542.92
2013	4290	1936 030 231 06555	4672 16th Ave	BECAME EXEMPT	\$1,079.68
2013	4372	1936 030 233 06174	100 Battista Perri Dr	BECAME EXEMPT	\$11,129.90
2013	4381	1936 030 260 46498	4 Saddlebrook Dr	BECAME EXEMPT	\$2,556.47
2013	4181	1936 040 280 37300	5 Grenfell Cres	RAZED, DEMOLISHED	\$410.06
2014	4321	1936 010 021 06300	56 Clark Ave	RAZED, DEMOLISHED	\$1,571.55
2014	4312	1936 020 112 30687	6 Ravenscliffe Rd	RAZED, DEMOLISHED	\$282.71
2014	4308	1936 020 112 52682	90 Mowatt Crt	RAZED, DEMOLISHED	\$1,099.64
2014	4257	1936 020 126 09720	Aldergrove Dr	BECAME EXEMPT	\$2,282.47
2014	4319	1936 020 126 67800	4288 14th Ave	RAZED, DEMOLISHED	\$188.07
2014	4315	1936 020 127 03437	151 Upper Duke Cres	GROSS OR MANIFEST ERROR	\$110.01
2014	4376	1936 020 127 96128	South Town Centre Blvd	BECAME EXEMPT	\$9.14
2014	4336	1936 020 137 73300	5 Bernadotte Dr	RAZED, DEMOLISHED	\$6,103.44
2014	4342	1936 020 140 45004	25 Buchanan Dr	RAZED, DEMOLISHED	\$428.01
2014	4345	1936 020 142 46100	4 Jeremy Dr	RAZED, DEMOLISHED	\$635.64
2014	4339	1936 020 154 49350	Prince Of Wales Dr	BECAME EXEMPT	\$25,384.43
2014	4322	1936 030 211 62760	McCowan Rd	BECAME EXEMPT	\$94.79
2014	4348	1936 030 212 07600	24 Eastvale Dr	RAZED, DEMOLISHED	\$2,616.58
2014	4356	1936 030 221 03036	Caboto Trail	BECAME EXEMPT	\$2,106.86
2014	4357	1936 030 221 03037	Lane A	BECAME EXEMPT	\$186.54
2014	4358	1936 030 221 03038	Lane A	BECAME EXEMPT	\$190.21
2014	4346	1936 030 231 08426	Beckett Ave	BECAME EXEMPT	\$41,567.87
2014	4261	1936 030 232 31402	Furrow St	BECAME EXEMPT	\$1,205.68
2014	4325	1936 030 232 56500	9389 McCowan Rd	RAZED, DEMOLISHED	\$383.15
2014	4324	1936 030 232 56700	9401 McCowan Rd	RAZED, DEMOLISHED	\$257.17
2014	4323	1936 030 232 56900	9413 McCowan Rd	BECAME EXEMPT	\$3,147.85
2014	4373	1936 030 233 06174	100 Battista Perri Dr	BECAME EXEMPT	\$2,823.75
2014	4347	1936 030 256 13153	Pearl Lake Rd	BECAME EXEMPT	\$36,152.91
2014	4382	1936 030 260 46498	4 Saddlebrook Dr	BECAME EXEMPT	\$2,633.57
2014	4253	1936 030 260 65500	9829 Ninth Line	BECAME EXEMPT	\$10,082.04
2014	4363	1936 040 320 42100	17 Riverview Ave	RAZED, DEMOLISHED	\$887.04
2014	4338	1936 040 351 33008	36 Sir Kay Dr	RAZED, DEMOLISHED	\$261.86
<b>Total</b>				<b>38 Properties</b>	<b>\$177,086.70</b>

Tax Appeals: Section 357 - Non-Residential					
Tax Year	Application Number	Roll Number	Property Address	Subsection	Total Amount
2011	4065	1936 020 121 95000	20 Esna Park Dr	BECAME EXEMPT	\$32,572.15
2012	4151	1936 020 126 52800	4255 14th Ave	PROPERTY CLASS CHANGE	\$6,022.01
2012	4154	1936 040 310 04900	5261 Highway 7 E	RAZED, DEMOLISHED	\$45,567.97
2013	4178	1936 040 320 04000	5769 Highway 7 E	RAZED, DEMOLISHED	\$6,327.14
2013	4226	1936 030 211 25200	2401 Denison St	BECAME EXEMPT	\$7,852.36
2014	4250	1936 030 211 25200	2401 Denison St	BECAME EXEMPT	\$7,795.88
2014	4317	1936 020 111 39000	7620 Woodbine Ave	RAZED, DEMOLISHED	\$713.96
<b>Total</b>				<b>7 Properties</b>	<b>\$106,851.47</b>

<b>Total</b>	<b>Section 357</b>	<b>45 Properties</b>	<b>\$283,938.17</b>
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Tax Appeals: Section 358 - Residential					
Tax Year	Application Number	Roll Number	Property Address	Subsection	Total Amount
2011	4228	1936 030 231 37954	Barnstone Dr	GROSS OR MANIFEST ERROR	\$1,997.44
2013	4332	1936 030 260 65500	9829 Ninth Line	GROSS OR MANIFEST ERROR	\$3,296.13
<b>Total</b>				<b>2 Properties</b>	<b>\$5,293.57</b>

<b>Total</b>	<b>Section 358</b>	<b>2 Properties</b>	<b>\$5,293.57</b>
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Total For All Tax Appeals			
Total: Section 357		45 Properties	\$283,938.17
Total: Section 358		2 Properties	\$5,293.57
<b>Total</b>		<b>47 Properties</b>	<b>\$289,231.74</b>