



Report to: General Committee

Report Date: September 15th, 2014

SUBJECT: September 15th, 2014 - 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

RECOMMENDATIONS:

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 \$78,658.57 be adjusted under Section 357 (in the amount of \$19,037.64) and Section 358 (in the amount of \$59,620.93) of the *Municipal Act, 2001*, of which the City's portion is estimated to be \$16,851.64;
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. as a result of a change event, during the taxation year, the property or portion of the property is eligible to be reclassified in a different class of real property, as defined in regulations made under the *Assessment Act*, and that class has a lower tax ratio for the taxation year than the class the property or portion of the property is in before the change event, and no supplementary assessment is made in respect of the change event under subsection 34 (2) of the *Assessment Act*;
- b. the land has become vacant land or excess land during the year or during the preceding year after the return of the assessment roll for the preceding year;
- c. the land has become exempt from taxation during the year or during the preceding year after the return of the assessment roll for the preceding year;
- d. during the year or during the preceding year after the return of the assessment roll, a building on the land,
 - i. was razed by fire, demolition or otherwise; or

- ii. 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 the applicant is unable to pay taxes because of sickness or extreme poverty;
- e. a mobile unit on the land was removed during the year or during the preceding year after the return of the assessment roll for the preceding year;
- f. a person was overcharged due to a gross or manifest error that is clerical or factual in nature, including the transposition of figures, a typographical error or similar error but not an error in judgment in assessing the property; or
- g. repairs or renovations to the land prevented the normal use of the land for a period of at least three months during the year.

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.

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 (September 15th, 2014). The Notices of Hearing for these properties were mailed to affected taxpayers on August 26, 2014.

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 Agricultures share of taxes. There are four main reasons for these types of 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, that are as a result of errors by the Municipal Property Assessment Corporation (MPAC) on the assessment roll, which result in an overcharge of taxes; or
4. Overcharge by Error, that are as a result of 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.

There is one application that has no recommendation, and as a result has no associated tax adjustment. Applications that receive this type of recommendation indicate that the appeal

does not meet the specified criteria under *The Act*. These are applications that have been reviewed by MPAC and determined to be not eligible for relief.

The total tax adjustment of \$78,658.57 is attributable to three properties:

1. 0 Pearl Lake Road (Ward 5): Change in Property Class from Residential to Exempt due to York Region District School Board (YRDS) purchasing the land, resulting in a recommended reduction of \$19,037.64.
2. 344 John Street - Ward 2 (Parya Trillium Foundation): Change in Property Class from Commercial to Residential, resulting in a recommended reduction of \$14,159.41 in 2011 and \$14,427.12 in 2012.
 - This property submitted municipal tax applications for the years 2011, 2012 and 2013, and had an outstanding 2013 ARB assessment appeal. This report includes the recommendations for the 2011 and 2012 municipal tax applications, excluding the 2013 year, as this application was concluded through the ARB appeal process.
3. 58 Main Street, Markham - Ward 4: Change in Property Class (result of a demolition) from Commercial to Multi Residential resulting in a recommended reduction of \$31,034.40. As a commercial property and within Markham Business Improvement Area Boundaries this property was subject to BIA levy.

There is also one property that has an address of “0” as the municipal address. This property represents a parcel of development land for which the Municipal Property Assessment Corporation (MPAC) provides a unique assessment roll number, but uses a “0” until a formal municipal address has been provided by the City.

FINANCIAL CONSIDERATIONS:

The City of Markham’s portion of taxes for the taxation years between 2011 and 2013 is estimated to be \$16,851.64. The amount of taxes adjusted for the Region of York and School Boards will be reflected on the 2014 payment submissions to these bodies.

Figure 1 - Tax Adjustments by Levying Body

Tax Adjustments under Section 357 /358 of the <i>Municipal Act</i>, 2001	
City	\$ 16,851.64
Region	\$ 33,169.71
Education	\$ 16,252.49
Markham BIA	\$ 12,384.73
Total	\$ 78,658.57

HUMAN RESOURCES CONSIDERATIONS:

Not applicable

ALIGNMENT WITH STATEGIC PRIORITIES:

Not applicable

BUSINESS UNIT CONSULTED AND AFFECTED:

None.

RECOMMENDED BY:

04/09/2014

X 

Mark Visser
Treasurer (A)

08/09/2014

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

Appendix A

**Tax Adjustments under the *Municipal Act, 2001*
For September 15th, 2014
General Committee Meeting**

**Finance Department
Report Total**

Description	Amount	Count
BECAME EXEMPT	\$ 19,037.64	1
RAZED, DEMOLISHED	\$ 31,034.40	1
OVERCHARGED BY ERROR	\$ 28,586.53	2
Grand Total	\$ 78,658.57	4

Appendix B
Tax Adjustments under the *Municipal Act, 2001*
For September 15th, 2014 General Committee Meeting

Tax Appeals: Section 357 – Non-Residential						
Tax Year	Application #	Roll Number	Property Address	Reason	Remark	Total Amount
2013	4268	36-03-0-256-13153-0000	0 PEARL LAKE ROAD	BECAME EXEMPT	Purchased by YRDSB	\$ (19,037.64)
Total				1 Properties		\$ (19,037.64)
Total		Section 357			1 Property	\$ (19,037.64)

Tax Appeals: Section 358 – Non-Residential						
Tax Year	Application #	Roll Number	Property Address	Reason	Remark	Total Amount
2011	4222	36-02-0-110-20600-0000	344 JOHN STREET	OVERCHARGED BY ERROR	Change in Classification	\$ (14,159.41)
2012	4223	36-02-0-110-20600-0000	344 JOHN STREET	OVERCHARGED BY ERROR	Change in Classification	\$ (14,427.12)
2013	4281	36-04-0-300-03600-0000	58 MAIN STREET, MARKHAM	RAZED, DEMOLISHED	Structure Demolished	\$ (31,034.40)
Total				3 Properties		\$ (59,620.93)
Total		Section 358				\$ (59,620.93)

Total: Section 357		1 Property	\$ (19,037.64)
Total: Section 358		3 Properties	\$ (59,620.93)
Total		4 Properties	\$ (78,658.57)