



Report to: General Committee

Report Date: October 21, 2013

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**SUBJECT:** October 21<sup>st</sup>, 2013 - 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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**RECOMMENDATIONS:**

THAT taxes totalling approximately \$106,580.29 be adjusted under Section 357 (in the amount of \$39,910.32) and Section 358 (in the amount of \$66,669.97) of the *Municipal Act, 2001* of which the City's portion is estimated to be \$17,522.70.

AND THAT the associated interest be cancelled in proportion to the tax adjustments;

AND THAT the Treasurer be directed to adjust the Collector's Roll accordingly;

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 permits applications for tax adjustments, related to taxes levied in the year in which the application is made, for the following reasons:

- 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.

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:**

The attached schedules identify the 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, Province and Federation of Agricultures share of taxes. There are four main reasons for these applications: (1) “Razed or Demolished” which relates 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”- these are 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” is the result of errors by the Municipal Property Assessment Corporation (MPAC) on the assessment roll which caused an overcharge of taxes, (4) “Overcharge by Error” is the 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 are four applications that have no associated tax adjustment. These are applications that have been reviewed by MPAC and determined not to be eligible for relief.

Of the total tax adjustments of \$106,580.29, 44.19% or \$47,101.32 is attributable to one property: 56 Steelcase Road West, which is a commercial property, owned by 56 Steelcase GP Inc. and 56 Steelcase Limited Partnership. The property had an industrial building demolished, which resulted in it being overcharged in error by MPAC.

There are also various properties that show an address of “0” as the municipal address. These represent parcels 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 2009 through 2013 is estimated to be \$17,522.70. The amount of taxes adjusted for the Region of York, the Province and the Federation of Agriculture will be reflected on the 2013 payment submissions to these organizations.

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

<b>Tax Adjustments under Section 357 /358 of the <i>Municipal Act, 2001</i></b>	
City	\$17,522.70
Region	\$34,281.98
Province	\$54,757.42
Federation of Agriculture	\$18.19
<b>Total</b>	<b>\$106,580.29</b>

**HUMAN RESOURCES CONSIDERATIONS:**

Not applicable

**ALINMENT WITH STATEGIC PRIORITIES:**

Not applicable

**BUISNESS UNIT CONSULTED AND AFFECTED:**

None.

**RECOMMENDED BY:**

18/10/2013

10/18/2013

X




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Joel Lustig  
Treasurer

X




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Trinela Cane  
Commissioner, Corporate Services

**ATTACHMENTS:**

Appendix A – Tax Adjustments under the *Municipal Act, 2001*- Report Total

Appendix B – Tax Adjustment under Section 357 & Section 358 of the *Municipal Act, 2001*

**Tax Adjustments under the *Municipal Act, 2001*****General Committee Meeting****Finance Department****Report Total**

<b>Description</b>	<b>Amount</b>	<b>Count</b>
Overcharged by Error	\$53,333.43	8
Became Exempt	\$48,537.04	7
Error in Assessment Roll Prep	\$1,595.77	2
Change in Tax Rate	\$1,782.99	1
Razed Demolished	\$1,285.79	1
Gross/Manifest Error	\$45.27	1
Not Eligible	\$0.00	4
<b>Grand Total</b>	<b>\$106,580.29</b>	<b>24</b>

**Appendix B**  
**Tax Adjustments under the *Municipal Act, 2001***  
**General Committee Meeting**

<b>Tax Appeals: Section 357 – Residential</b>						
<b>Tax Year</b>	<b>Application #</b>	<b>Roll Number</b>	<b>Property Address</b>	<b>Reason</b>	<b>Remark</b>	<b>Total Amount</b>
2009	3918	36-02-0-144-19728	57 KYLEMORE WAY	OVERCHARGED BY ERROR	Lot size adjustment	\$44.67
2012	4082	36-03-0-224-33621	42 HEDGEWOOD DR	GROSS/MANIFEST ERROR	Outdoor Pool not Indoor	\$45.27
2012	4080	36-03-0-256-08700	8651 NINTH LINE	RAZED, DEMOLISHED	Building Demolished	\$1,285.79
2013	4157	36-02-0-152-96024	0 BETTY ROMAN BLVD	BECAME EXEMPT	Purchased by City	\$3,515.27
2013	4159	36-02-0-160-71000	11091 WARDEN AVE*	BECAME EXEMPT	Purchased by City	\$816.09
<b>Total</b>				<b>5 Properties</b>		<b>\$5,707.09</b>

<b>Tax Appeals: Section 357 – Non-Residential</b>						
<b>Tax Year</b>	<b>Application #</b>	<b>Roll Number</b>	<b>Property Address</b>	<b>Reason</b>	<b>Remark</b>	<b>Total Amount</b>
2011	4024	36-02-0-111-22636	226 STEELCASE RD W	CHANGE IN TAX RATE	Change in Classification	\$1,782.99
2012	4051	36-02-0-127-20000	16 MAIN STREET**	BECAME EXEMPT	Purchased by City	\$13,813.68
2013	4188	36-02-0-127-20000	16 MAIN STREET**	BECAME EXEMPT	Purchased by City	\$18,606.56
<b>Total</b>				<b>3 Properties</b>		<b>\$34,203.23</b>

<b>Total:</b>	<b>Section 357</b>	<b>8 Properties</b>		<b>\$39,910.32</b>
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Tax Appeals: Section 358 – Residential						
Tax Year	Application #	Roll Number	Property Address	Reason	Remark	Total Amount
2010	4048	36-02-0-127-03141	111 UPPER DUKE CRES 417	OVERCHARGED BY ERROR	Incorrect Effective Date	\$513.13
2010	4037	36-02-0-127-03253	131 UPPER DUKE CRES 303	OVERCHARGED BY ERROR	Incorrect Effective Date	\$1,527.33
2010	4059	36-02-0-137-63601	27 BOWES-LYON CRT	OVERCHARGED BY ERROR	Pool Fill In	\$1,386.93
2010	4162	36-02-0-160-71000	11091 WARDEN AVE*	BECAME EXEMPT	Purchased by City	\$3,645.94
2010	4078	36-03-0-256-06500	8651 NINTH LINE	OVERCHARGED BY ERROR	Incorrect property details	\$1,246.22
2011	4192	36-02-0-160-00238	10 CASTLEVIEW CRES	ASSMT ROLL ERROR	Incorrect Square Footage	\$708.39
2011	4161	36-02-0-160-71000	11091 WARDEN AVE*	BECAME EXEMPT	Purchased by City	\$6,721.79
2011	4058	36-02-0-170-46500	33 VALLONCLIFFE RD	OVERCHARGED BY ERROR	Incorrect Square Footage	\$250.13
2012	4156	36-02-0-152-96024	0 BETTY ROMAN BLVD	BECAME EXEMPT	Purchased by City	\$1,417.71
2012	4191	36-02-0-160-00238	10 CASTLEVIEW CRES	ASSMT ROLL ERROR	Incorrect Square Footage	\$887.38
<b>Total</b>				<b>10 Properties</b>		<b>\$18,304.95</b>

Tax Appeals: Section 358 – Non-Residential						
Tax Year	Application #	Roll Number	Property Address	Reason	Remark	Total Amount
2011	4108	36-02-0-111-22610	56 STEELCASE RD W	OVERCHARGED BY ERROR	Building Demolished	\$47,101.32
2011	4079	36-03-0-256-08700	8651 NINTH LINE	OVERCHARGED BY ERROR	Incorrect property details	\$1,263.70
<b>Total</b>				<b>2 Properties</b>		<b>\$48,365.02</b>

<b>Total:</b>	<b>Section 358</b>	<b>12 Properties</b>		<b>\$66,669.97</b>
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Total : Section 357	8 Properties		\$39,910.32
Total : Section 358	12 Properties		\$66,669.97
Total: Not Eligible	4 Properties		\$0.00
<b>Grand Total</b>	<b>24 Properties</b>		<b>\$106,580.29</b>

\* Planned City Sports Park

\*\*Site of Pan Am Games