



Report to: General Committee

Report Date: November 19th, 2012

SUBJECT: November 2012 – Cancellation, Reduction or Refund of Taxes under *Section 357 and 358 of the Municipal Act, 2001*

PREPARED BY: Paul Wealleans, Director, Taxation
Shane Manson, Manager, Tax & Assessment Policy

RECOMMENDATIONS:

THAT taxes totalling approximately \$204,150.74 be adjusted under Section 357 (in the amount of \$159,743.40) and Section 358 (in the amount of \$44,407.34) of the *Municipal Act, 2001* of which the City's portion is estimated to be \$41,587.82.

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 the Markham portion of the taxes be charged to Tax Write-off Account 850 850 7051.

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*.

BACKGROUND:

Sections 357 and 358 of the *Municipal Act, 2001* allow for the reduction, cancellation or refund of taxes. Section 357 permits tax adjustments for the following reasons:

- 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*;
- property that has become vacant land or excess land during the year;
- property that has become exempt from taxation during the year;
- 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;
- person who was unable to pay taxes because of sickness or extreme poverty;
- mobile unit that was removed from the municipality during the year;

- 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
- 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 *Municipal Act, 2001* permits applications for tax adjustment 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, which 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 property address and the reason for the tax appeal and the tax adjustment. The tax value includes the City, Region and School Board 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 18 applications listed that have no associated tax adjustment. These are applications reviewed by MPAC and determined to be not eligible for relief. They are referred as "No Recommendation" applications in Appendix A.

Of the total tax adjustments of \$204,151, 57% or \$116,043 are attributable to two properties: 75 Clegg Rd (which was purchased by the City in May) and 0 Shady Oaks Ave which was purchased by the Public School Board and is eligible for tax refund for two years (2011 and 2012) when school construction started.

There are also various properties that show an address of "0" as the municipal address. In fact, these represent parcels of development land that the Municipal Property Assessment Corporation (MPAC) provides a unique assessment roll number but uses a "0" until a formal municipal address is provided by the City.

FINANCIAL CONSIDERATIONS:

The City of Markham’s portion of taxes for the taxation years 2009 through 2012 is estimated to be \$41,587.82. The amount of taxes adjusted for both the Region of York and School Boards will be reflected on the 2012 payment submissions to these bodies.

Tax Adjustments under Section 357 /358 of the Municipal Act

City	\$41,587.82
Region	\$76,756.94
Education	\$85,805.98
<hr/>	
Total	\$204,150.74

The City portion of taxes will be charged to the Tax Write-Off Account – 850 850 7051.

HUMAN RESOURCES CONSIDERATIONS:

Not applicable

ALINMENT WITH STATEGIC PRIORITIES:

Not applicable

BUISNESS UNIT CONSULTED AND AFFECTED: None.

RECOMMENDED

BY:

X 

Joel Lustig
Treasurer

X 

Trinela Cane
Commissioner, Corporate Services

ATTACHMENTS:

Appendix A – “Tax Adjustments”

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