



Report to: General Committee

Report Date: April 18, 2016

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;
- 2) And That taxes totalling approximately \$192,044.27 be adjusted under Section 357 of the *Municipal Act, 2001* of which the City's portion is estimated to be \$43,792.12;
- 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 Section 357 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

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- 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 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.

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 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.

OPTIONS/ DISCUSSION:

In accordance with *The Act*, the Notices of Hearing for the properties listed in Appendix A, were delivered to the applicants not less than fourteen days before the date upon which the applications are to be dealt with (April 18, 2016). The Notices of Hearing for these properties were mailed to affected taxpayers on April 4, 2016

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 applications:

1. 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 (for the year in which the application is made if).; 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 two years preceding the year in which the application is made).

Applications received by the City are sent to MPAC for review and are returned with either a recommendation for tax adjustment or with no recommendation; which results in 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 applications have been reviewed and it was determined that they are not eligible for relief. There are 8 applications that have no recommendation, and as a result have no associated tax adjustment.

Of the \$192,044.27 in total tax adjustments; 54.18% or \$104,054.82 is attributable to two properties, which are detailed below.

1. **1936 020 122 90001 – 3660 Steeles Ave (Saint Mark’s Coptic Orthodox Church)** - The property was assessed as a place of worship as of March 6, 2015 resulting into a tax reduction of \$70,844.71. The estimated City share of the tax reduction is \$17,964.23.
2. **1936 30 223 54000 – 5000 Highway 7 (Markville Mall)** – The application was filed by Cadillac Fairview Corp for the demolition of kiosks during a major renovation that occurred in 2012. Finance staff has confirmed that no vacancy rebates were approved on the demolished kiosk spaces. The demolition resulted in a recommended total reduction of \$33,210.11 for the 2012 tax year. The estimated City share of the tax reduction is \$4,536.07.

FINANCIAL CONSIDERATIONS:

The City of Markham’s portion of taxes for the taxation years between 2012 and 2015 is estimated to be \$43,792.12. The amount of taxes adjusted for the Region of York and School Boards will be reflected on the 2016 payment submissions to these bodies.

Figure 1 - Tax Adjustments by Levying Body

Tax Adjustments under Sections 357 of the <i>Municipal Act, 2001</i>	
City	\$43,792.12
Region	\$86,850.31
Education	\$61,401.84
Total	\$192,044.27

Figure 2 - Tax Adjustments by Reason

Description	Adjusted Amount	Application Count
Became Exempt	\$139,097.32	18
Reclassified	\$4,544.65	1
Demolished	\$48,402.30	17
Grand Total	\$192,044.27	36

The City of Markham annually budgets for property tax adjustments, which come as a result of assessment appeals and from tax adjustments under Section 357/358 of the *Municipal Act, 2001*. The 2016 property tax adjustment budget is \$525,000 and will be impacted by \$43,792.12 resulting from the Section 357 tax adjustments in this report. The balance of funds will be used for other tax adjustments in 2016.

HUMAN RESOURCES CONSIDERATIONS

Not applicable

ALIGNMENT WITH STRATEGIC PRIORITIES:

Not applicable

BUSINESS UNITS CONSULTED AND AFFECTED:

None.

RECOMMENDED BY:

08/04/2016

12/04/2016

X 

Joel Lustig
Treasurer

X 

Trinela Cane
Commissioner, Corporate Services

ATTACHMENTS:

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

Appendix A
Tax Adjustments under Section 357 & Section 358 of the Municipal Act, 2001
Tax Adjustments Detailed List

Tax Appeals: Section 357 - Residential					
Tax year	Application	Roll Number	Property Address	Reason	Total Amount (\$)
2015	4424	36-03-0-230-48946	8 Ambrose Crt	DEMOLISHED	104.83
2015	4468	36-03-0-220-87212	0 Helen Ave	BECAME EXEMPT	700.91
2015	4430	36-03-0-241-07500	0 McCowan Rd W/S	BECAME EXEMPT	4,161.68
2015	4440	36-03-0-232-61350	0 Roy Rainey Ave	BECAME EXEMPT	985.64
2015	4441	36-03-0-232-30986	0 Roy Rainey Ave	BECAME EXEMPT	6,113.39
2015	4470	36-02-0-142-86628	10 Trumpour Crt	DEMOLISHED	403.48
2014	4480	36-02-0-170-36800	16 Hammok Cres	DEMOLISHED	352.91
2015	4481	36-02-0-170-36800	16 Hammok Cres	DEMOLISHED	1,570.25
2014	4420	36-03-0-214-64800	23 Carolwood Cres	DEMOLISHED	1,018.92
2015	4421	36-03-0-214-64800	23 Carolwood Cres	DEMOLISHED	2,053.67
2015	4419	36-03-0-214-64600	25 Carolwood Cres	DEMOLISHED	2,365.37
2015	4444	36-04-0-351-25500	250 Church St	DEMOLISHED	459.94
2015	4464	36-02-0-137-65600	28 Blencathra Hill	DEMOLISHED	1,500.92
2015	4484	36-01-0-080-08000	31 Elgin St	DEMOLISHED	412.26
2015	4450	36-03-0-231-10804	314 Wilfred Murison Ave	BECAME EXEMPT	2,264.33
2015	4429	36-02-0-122-90001	3660 Steeles Ave	BECAME EXEMPT	70,844.71
2015	4482	36-01-0-080-08400	39 Elgin St	DEMOLISHED	876.00
2015	4416	36-01-0-010-63400	45 Meadowview Ave	DEMOLISHED	1,561.12
2014	4328	36-03-0-211-89946	564 Highglen Ave	DEMOLISHED	549.82
2015	4442	36-03-0-211-89946	564 Highglen Ave	DEMOLISHED	1,823.07
2015	4466	36-03-0-212-92001	5711 14th Ave	BECAME EXEMPT	3,313.67
2015	4467	36-03-0-212-93006	5757 14th Ave	BECAME EXEMPT	5,265.48
2014	4326	36-02-0-140-44218	6 Seaforth Place	DEMOLISHED	27.44
2015	4436	36-03-0-230-55714	79 Spragg Cir	DEMOLISHED	112.19
2015	4417	36-03-0-260-65500	9829 Ninth Line	BECAME EXEMPT	10,367.75
Total				25 Applications	119,209.75
Tax Appeals: Section 357 - Non-Residential					
Tax Year	Application	Roll Number	Property Address	Subsection	Total Amount (\$)
2012	4177	36-03-0-223-54000	5000 Hwy 7	DEMOLISHED	33,210.11
2013	4306	36-03-0-256-61500	280 Church St	BECAME EXEMPT	4,975.67
2014	4307	36-03-0-256-61500	280 Church St	BECAME EXEMPT	7,056.81
2015	4400	36-02-0-113-27316	0 South Park Rd	BECAME EXEMPT	5,963.08
2015	4408	36-03-0-250-00500	0 Steeles Ave E	RECLASSIFIED (CT to RT)	4,544.65
2013	4455	36-02-0-126-76700	350 Yorktech Dr	BECAME EXEMPT	8,062.01
2014	4434	36-02-0-126-76700	350 Yorktech Dr	BECAME EXEMPT	489.41
2015	4486	36-02-0-126-76700	350 Yorktech Dr	BECAME EXEMPT	465.73
2012	4425	36-03-0-223-18201	4630 Hwy 7	BECAME EXEMPT	1,234.31
2013	4426	36-03-0-223-18201	4630 Hwy 7	BECAME EXEMPT	3,336.73
2014	4427	36-03-0-223-18201	4630 Hwy 7	BECAME EXEMPT	3,496.01
Total				11 Applications	72,834.52
Total For All Tax Appeals					
Total: Section 357			36 Applications		192,044.27
Total: Section 358			0 Applications		0.00
Total			36 Applications		192,044.27