

Council Report

DATE: Wednesday, October 23, 2019

WARD(S): ALL

TITLE: TAX ADJUSTMENTS PURSUANT TO SECTIONS 354, 357, 358 AND 359 AND SECTION 356 OF THE MUNICIPAL ACT, S.O. 2001

FROM:

Michael Coroneos, Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer

ACTION: DECISION

Purpose

To obtain Council's approval for the adjustment of property taxes as permitted under Sections 354, 357, 358 and 359 and approval for the apportionment of property taxes as permitted under Section 356 of the *Municipal Act, 2001*.

Report Highlights

Section 354, 357, 358, 359 – increase or cancellation of property taxes:

- Council approval of the recommendations in this report will allow staff to proceed with applicable property tax adjustments.
- There are various reasons for tax adjustments such as property becoming exempt, roll numbers being cancelled by the Municipal Property Assessment Corporation (MPAC), buildings that have been demolished or razed by fire and properties that have been over assessed by a gross or manifest clerical error. These tax adjustments do not relate to collection issues.
- As required by the Act, notification of this meeting has been sent to all applicants and persons in respect of whom the applications were made, at least 14 days prior to the meeting. Notices of Decisions will be issued to all applicants and these will detail the total amount of the adjustment and the right of the applicant to appeal the decision to the Assessment Review Board (ARB).

Section 356 – Division Into Parcels:

- Council approval of the recommendation under Section 356 will allow staff to bill the separate property owners their proportionate share of property tax and confirm their right to appeal the decision to the Assessment Review Board (ARB) as applicable. If no appeals are filed with the ARB, staff will proceed with the property tax apportionments.

Recommendations

1. That the tax adjustments as outlined on the attached schedules be approved

Background

The City prepares these reports at least twice a year in accordance with legislation outlined in the *Municipal Act*. There are various reasons for tax adjustments under Section 354, 357, 358 and 359 such as property becoming exempt, roll numbers being cancelled by the Municipal Property Assessment Corporation (MPAC), buildings that have been demolished or razed by fire and properties that have been over assessed by a gross or manifest clerical error. These tax adjustments do not relate to collection issues.

Under Section 356, *Municipal Act*, taxes that remain outstanding on a property tax account that has been severed into two or more parcels can be apportioned to the newly created lots. An apportionment does not result in a reduction or increase of taxes; it simply shares the taxes levied among the new parcels based on the apportioned value of assessment. Should any property owner disagree with the recommendation approved by Council, they can appeal the decision to the ARB for a further hearing.

Previous Reports/Authority

N/A

Analysis and Options

Section 354, 357, 358, 359 – increase or cancellation of property taxes:

Forty-seven (47) applications have been prepared for Council's consideration for the cancellation, reduction or refund of taxes for the current and prior tax years, under sections 354, 357, 358 and 359 of the *Municipal Act, 2001*, as amended.

The total cancellation, reduction or refund of taxes, as recommended is \$609,024. The City portion of this amount is approximately \$130,907 including the hospital portion, or approximately 21.5%.

As required by the Act, notification of this meeting has been sent to all applicants and persons in respect of whom the applications were made, at least 14 days prior to the meeting. Notices of Decisions will be issued to all applicants after the meeting of Council and these will detail the total amount of the adjustment and the right of the applicant to appeal the decision to the ARB.

Section 356 – Division Into Parcels:

One (1) application has been received to sever property that was returned on the roll as one parcel. The Municipal Property Assessment Corporation (MPAC) provided the City with a report outlining the apportioned value of each separate piece, and the outstanding tax balance on the single piece is then apportioned to the various parts in accordance with the assessment.

An apportionment does not result in a reduction or increase of taxes; it simply shares the taxes levied among the new parcels based on the apportioned value of assessment. Should any property owner disagree with the recommendation approved by Council, they can appeal the decision to the ARB for a further hearing.

Financial Impact.

Section 354, 357, 358, 359 – increase or cancellation of property taxes:

The City's share of these property tax adjustments is approximately \$130,907 including the hospital portion.

Broader Regional Impacts/Considerations

Section 357, 358, 359 – increase or cancellation of property taxes:

The Region of York's share of these property tax adjustments is approximately \$222,828 or approximately 36.6%.

Conclusion

The *Municipal Act* allows staff to proceed with the property tax adjustments as applicable. Council approval also gives the applicant the right to appeal the decision to the Assessment Review Board if so desired.

For more information, please contact:

Dean Ferraro, Director of Financial Services/Deputy Treasurer ext. 8272
Maureen Zabiuk, Manager Property Tax & Assessment ext. 8268

Attachments

Attachment 1 – Tax Appeal Report

Attachment 2 – Apportionment Report

Prepared by

Maureen Zabiuk, A.I.M.A., CMRP
Manager, Property Tax & Assessment
Ext. 8268