



STAFF REPORT ACTION REQUIRED

Cancellation, Reduction or Refund of Property Taxes

Date:	January 26, 2007
To:	General Government Committee
From:	Treasurer
Wards:	All
Reference Number:	P:\2007\Internal Services\Rev\gg07002Rev (AFS2709)

SUMMARY

Sections 357 and 358 of the *Municipal Act, 2001* as continued under section 323 and section 325 of the *City of Toronto Act, 2006 (COTA)* allows the treasurer of the municipality, an owner of the land or their representative to initiate the process to cancel, reduce or refund taxes.

The *Act* requires that upon receipt of an application to cancel, reduce or refund taxes, Council must hold a public meeting at which the applicants and owners of any part of the land may make representation. Authority to hold such public meetings has been delegated to the General Government Committee.

This report serves to advise that Notices of Hearing pertaining to the cancellation, reduction or refund of taxes for the properties listed in Appendices A and B (attached) have been sent to affected taxpayers. In addition, the report recommends approval of 166 applications initiated by taxpayers.

RECOMMENDATIONS

The Treasurer recommends that:

1. the individual tax appeal applications made pursuant to section 357 of the *Municipal Act, 2001* as continued under section 323 of the *City of Toronto Act, 2006* resulting in tax adjustments totalling \$1,216,640.18 (including reductions in Business Improvements Area charges and excluding phase-in/capping adjustments), as identified in the Detailed Rearing Report attached as Appendix A, be approved;

2. the individual tax appeal applications made pursuant to section 358 of the *Municipal Act, 2001*, as continued under section 325 of the *City of Toronto Act, 2006* resulting in tax adjustments totalling \$529,956.77 (including reductions in Business Improvement Area charges and excluding phase-in/capping adjustments) as identified in the Detailed Hearing Report attached as Appendix B, be approved; and,
3. The appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Financial Impact

This report recommends tax relief in the amount of \$1,746,596.95 (including reductions in Business Improvement Area charges and excluding phase-in/capping adjustments) as summarized in Appendices A and B, attached. The City's share of taxes which is approximately \$1,117,380.66 will be funded from the 2007 Tax Deficiency Account (Non-Program Budget). The education portion totalling \$625,188.69 will be recovered from the province/school boards, and the Business Improvement Area (BIA) reductions totalling \$4,027.60 will be funded from the respective BIA provision.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting of December 16, and 17, 1998, Council adopted a report authorizing the Administration Committee to hear and make recommendations on tax appeals, other than poverty appeals, pursuant to sections 357 and 358 of the *Municipal Act, 2001*. Poverty appeals are heard by the Assessment Review Board as authorized by Council. To view this report on-line, please follow hyperlink:

<http://www.toronto.ca/legdocs/agendas/council/cc/cc981216/sp26rpt/cl035.htm>

Authority to hold such public meetings has been delegated to the General Government Committee.

ISSUE BACKGROUND

Section 357 of the *Municipal Act, 2001* as continued under section 323 of *COTA* allows Council to cancel, reduce or refund taxes levied for the following reasons:

- (a) property is eligible to be reclassified to a different class;
- (b) property has become vacant land or excess land;

- (c) property has become exempt from taxation;
- (d) property razed by fire or demolished;
- (e) mobile unit that has been removed from the municipality during the year;
- (f) taxpayer unable to pay taxes due to sickness or extreme poverty;
- (g) taxpayer overcharged due to gross or manifest clerical error; or
- (h) property could not be used for at least three months due to repairs or renovations.

Section 358 of the *Municipal Act, 2001* as continued under section 325 of *COTA* allows Council to make decisions relating to errors of fact in the preparation of the assessment roll for one or both of the two years preceding the year in which the application is made.

As applications for cancellation, reduction or refund of taxes are received, Revenue Services staff forward the applications to the Municipal Property Assessment Corporation (MPAC). MPAC reviews the request and provides City staff details regarding the changes in assessment. Upon receiving information from MPAC, Revenue Services staff prepare their recommendations, calculate the tax cancellations/reductions, advise the applicants of the amount to be cancelled/reduced (excluding any phase-in/capping adjustment), and schedule hearings before the General Government Committee. Once Council renders its decision, staff issue Notices of Decision to the applicants and process the tax adjustments, accordingly. The applicant has thirty five (35) days from the date the Notice of Decision is mailed to appeal Council's decision to the Assessment Review Board (ARB).

COMMENTS

This report recommends that taxes totalling \$1,216,640.18 be cancelled/reduced (including Business Improvement Area charges and excluding phase-in/capping) under section 357 of the *Municipal Act, 2001* as continued under section 323 of *COTA* and taxes totalling \$529,956.77 be cancelled/reduced (including Business Improvement Area charges and excluding phase-in/capping) under section 358 of the *Municipal Act, 2001* as continued under section 325 of *COTA*.

Appendices A and B summarize by category the ward number, appeal number, tax year, property location, reason for the appeal, number of days for which relief is being recommended under sections 357 and 358 of the *Municipal Act, 2001* as continued under section 323 and 325 of *COTA* and the amount of the recommended reduction/cancellation of taxes.

Once Council approves the cancellation, reduction of taxes, Notices of Decision will be mailed to taxpayers. Under section 357(7) of the *Municipal Act, 2001*, as continued under section 323(7) of *COTA*, an owner may appeal a decision of City Council to the Assessment Review Board (ARB), within 35 days of Council rendering its decision. In respect to section 358 of the *Municipal Act, 2001* as continued under section 325 of the *COTA*, Council's decision is final and an owner cannot appeal a decision to the ARB.

CONTACTS:

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SIGNATURE

Cam Weldon
Treasurer

ATTACHMENTS

Appendix A: Detailed Hearing Report – 357, Hearing 2007H1
Appendix B: Detailed Hearing Report – 358, Hearing 2007H1