



## STAFF REPORT ACTION REQUIRED

### Cancellation, Reduction or Refund of Property Taxes

<b>Date:</b>	March 21, 2007
<b>To:</b>	Government Management Committee
<b>From:</b>	Treasurer
<b>Wards:</b>	All
<b>Reference Number:</b>	P:\2007\Internal Services\Rev\gm07007Rev (AFS 3294)

#### SUMMARY

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Section 323 of the *City of Toronto Act, 2006* (and previously Section 357 of the *Municipal Act, 2001*) allows the Treasurer, or the owner of the land or their representative, to initiate the process to cancel, reduce or refund taxes where a change has occurred within the year that affects the amount of taxes levied. These changes include where a building on a property has been razed by fire or demolished, the property has become vacant or unusable, or exempt from taxation, or the tax classification for the property has changed, clerical errors resulting in overcharges, etc.

The legislation 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 Government Management Committee.

This report serves to advise that Notices of Hearing pertaining to the cancellation, reduction or refund of taxes for the properties listed in Appendix A have been sent to affected taxpayers. In addition, the report recommends approval of 20 applications initiated by taxpayers.

#### RECOMMENDATIONS

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**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 \$2,330,062.12, excluding phase-

in/capping adjustments, as identified in the Detailed Hearing Report attached as Appendix A, be approved; and

2. the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

## **Financial Impact**

This report recommends the cancellation, reduction or refund of taxes in the amount of \$2,330,062.12, excluding phase-in/capping adjustments. The City's share of the taxes which is approximately \$1,202,415.55 will be funded from the 2007 Tax Deficiency Account (Non-Program Budget). The education portion of the taxes totalling \$1,127,646.57 will be recovered from the Province/school boards.

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 (now the Government Management 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 the link:

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

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

## **ISSUE BACKGROUND**

Section 323 of the *City of Toronto Act, 2006* (and previously Section 357 of the *Municipal Act, 2001*) allows Council to cancel, reduce or refund the taxes levied in a year 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.

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 applicable tax cancellation/reduction amounts, advise the applicants of the amount to be cancelled or reduced, and schedule hearings before the Government Management Committee. Once Council renders its decision, staff issue Notices of Decision to the applicants and process the tax adjustments accordingly.

## **COMMENTS**

This report recommends that taxes totalling \$ 2,330,062.12 be cancelled or reduced, excluding phase-in/capping adjustments, under Section 357 of the *Municipal Act, 2001*, as continued under Section 323 of *City of Toronto Act, 2006*.

Appendix A lists the 20 applications for tax cancellation or reduction, and provides the property address and roll number, ward number, appeal number, tax year, the reason/type of appeal, the number of days for which relief is being recommended, and the amount of the recommended reduction/cancellation of taxes.

Of the 20 individual applications listed in Appendix A, involving 17 different properties, ten (10) applications relate to properties where the building has been razed or damaged by demolition or fire, five (5) are due to the property being made exempt at some point during the year, three (3) are due to gross or manifest clerical errors, one involves a change in tax classification, and one relates to a building or portion of a building becoming unusable for a portion of the year in which the taxes were levied.

Upon Council approval of the cancellation/reduction of taxes, Notices of Decision will be mailed to taxpayers. 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).

## **CONTACTS:**

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## **SIGNATURE**

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Cam Weldon  
Treasurer

## **ATTACHMENTS**

Appendix A: Detailed Hearing Report – 357, Hearing 2007H2