



Staff Report for Committee of the Whole Meeting

Date of Meeting: December 11, 2018

Report Number: SRCFS.18.048

Department: Corporate and Financial Services

Division: Financial Services

Subject: **SRCFS.18.048 – Tax Adjustments under Section 357 and 358 of the Municipal Act**

Purpose:

The purpose of this report is to obtain Council approval to adjust taxes and penalties pursuant to the provision of Section 357, and 358 of the *Municipal Act, 2001*.

Recommendation(s):

- a) That a meeting in accordance with Section 357, and 358, of the *Municipal Act, 2001* be held in respect of the application made by the Treasurer and the owners listed in this report at which the applicants may make representations to Committee of the Whole;
- b) That taxes amounting to \$58,215.87 be written off pursuant to the provisions of Section 357 of the *Municipal Act, 2001*;
- c) That taxes amounting to \$2,547.40 be written off pursuant to the provisions of Section 358 of the *Municipal Act, 2001*;
- d) That applicable penalty and interest be adjusted accordingly; and
- e) That the Treasurer be directed to adjust the accounts receivable accordingly.

Contact Person:

Cedric Stone, Manager, Revenue Services, ext. 3627

Report Approval:

Submitted by: Mary-Anne Dempster, Commissioner of Corporate and Financial Services

Approved by: Neil Garbe, Chief Administrative Officer

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), Town Solicitor (as required), Commissioner, and Chief Administrative Officer. Details of the reports approval are attached.

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Background:

Adjustments Under Section 357 – Current Year Taxes

Under Section 357 of the *Municipal Act, 2001*, taxpayers may make an application for the cancellation of taxes due to errors by the Municipal Property Assessment Corporation (MPAC), or in response to changes in assessment facts concerning the property. The tax reduction is not a result of Richmond Hill having failed to collect rightful taxes, but rather reduces the taxes to the correct and proper amount.

Applications have been made by Richmond Hill, or the owner, and have been reviewed by MPAC to verify assessment values and taxation periods to be used for adjustment.

Richmond Hill has received and processed twenty-seven (27) application(s) for taxes to be cancelled under Section 357 totaling \$58,215.87 as listed in attached Appendix A, “Tax Adjustments under the Municipal Act”. However, Richmond Hill will charge back to the Region of York and the School Boards the taxes levied on their behalf.

Adjustments Under Section 358 – Two Prior Year Taxes

Under Section 358 of the *Municipal Act, 2001*, taxpayers may make an application for the cancellation of taxes due to gross or manifest errors made by MPAC in the assessment for taxation in the two years prior to the current taxation year. In such an application, the taxes originally levied, or a portion thereof, are removed from the roll as not applicable due to assessment error. The tax reduction is not a result of the Town having failed to collect rightful taxes, but rather reduces the taxes to the corrected and proper amount.

Applications have been made by Richmond Hill, or the owner, and have been reviewed by MPAC to verify assessment values and taxation periods to be used for the adjustment.

Richmond Hill has received and processed eleven (11) application(s) for taxes to be cancelled under Section 358 totaling \$2,547.40 as listed in attached Appendix A, “Tax Adjustments under the Municipal Act”. However, Richmond Hill will charge back to the other jurisdictions the taxes levied on their behalf.

Financial/Staffing/Other Implications:

A total amount of \$60,763.27 representing the Town, Region, and School Board portion of taxes is being submitted for approval to be removed from the accounts receivable pursuant to Section 357 and 358 of the *Municipal Act, 2001*. Of this total, the Town share of the taxes is estimated at \$16,556.40. Richmond Hill will also bear full responsibility for the penalties being reversed on cancelled taxes. Richmond Hill’s 2018 budget includes a provision for such adjustments for \$375,000.

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Relationship to the Strategic Plan:

The report is required to meet the statutory obligations of Richmond Hill under the *Municipal Act, 2001*. The appropriate adjustment of property tax accounts in a timely manner and with clear application of procedures meets the Strategic Plan goal of Wise Management of Resources through the commitment to maintain sound fiscal management.

Conclusion:

Based on the recommendations of Staff, a net amount of \$60,763.27 is recommended to be removed from the accounts receivable and allocated to the Town, Region, and School Boards.

Attachments:

The following attached documents may include scanned images of appendixes, maps and photographs. If you require an alternative format please call contact person listed in this document.

- Appendix 'A' - Tax Adjustments under the *Municipal Act, 2001*

Report Approval Details

Document Title:	SRCFS.18.048.docx
Attachments:	- taxadjustmentDec11-AppendixA.pdf - 357alloc.staff report dec2018.xls
Final Approval Date:	Nov 21, 2018

This report and all of its attachments were approved and signed as outlined below:

David Dexter - Nov 13, 2018 - 3:03 PM

MaryAnne Dempster - Nov 19, 2018 - 1:00 PM

Neil Garbe - Nov 21, 2018 - 4:28 PM