



Staff Report for Committee of the Whole Meeting

Date of Meeting: October 16, 2024

Report Number: SRCFS.24.045

Department: Corporate and Financial Services

Division: Financial Services

Subject: **SRCFS.24.045 - 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 provisions of Section 357 and 358 of the Municipal Act, 2001.

Recommendation(s):

- a) That taxes amounting to \$78,146.53 be written off pursuant to the provisions of Section 357 of the Municipal Act, 2001;
- b) That taxes amounting to \$26,777.18 be written off pursuant to the provisions of Section 358 of the Municipal Act, 2001;
- c) That applicable penalty and interest be adjusted accordingly; and,
- d) That the Treasurer be directed to adjust the accounts receivable accordingly.

Contact Person(s):

Caterina, Chiarandini, Assessment Review Officer, ext. 6314

Gigi Li, Director Financial Services and Treasurer, ext. 6435

Sherry Adams, Commissioner, Corporate & Financial Services, ext. 2521

Report Approval:

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner, and City Manager. 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.

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 City 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.

Discussion:

Climate change considerations are not applicable to this staff report.

Financial Implications:

Richmond Hill has received and processed twenty-three (23) application(s) for taxes to be cancelled under Section 357 totaling \$78,146.53 as listed in attached Appendix 1, “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.

Richmond Hill has received and processed eight (8) application(s) for taxes to be cancelled under Section 358 totaling \$26,777.18, as listed in Appendix 1, “Tax Adjustments under the Municipal Act”. However, Richmond Hill will charge back to the other jurisdictions the taxes levied on their behalf.

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Based on the recommendations of Staff, a total amount of \$104,923.71 representing the City, Region, and School Board portion of taxes is being recommended to be removed from the accounts receivable pursuant to Section 357 and 358 of the Municipal Act, 2001. The City's share of adjusted taxes is an estimated decrease of \$27,428.10. The City's annual budget includes a provision for such tax adjustments.

Relationship to Strategic Plan 2024-2027:

This report has no specific link to the 2024-2027 Strategic Plan. The report is required to meet the statutory obligations of Richmond Hill under the Municipal Act, 2001.

Attachments:

The following attached documents may include scanned images of appendixes, maps and photographs. All attachments have been reviewed and made accessible. If you require an alternative format please call the contact person listed in this document.

- Appendix "1", Tax Adjustments under the Municipal Act, 2001

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Report Approval Details

Document Title:	SRCFS.24.045 Tax Adjustments under Section 357 and 358 of the Municipal Act.docx
Attachments:	- SRCFS.24.045 - Appendix 1 - Tax Adjustments under the Municipal Act.pdf
Final Approval Date:	Oct 1, 2024

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

Gigi Li - Oct 1, 2024 - 9:58 AM

Sherry Adams - Oct 1, 2024 - 10:15 AM

Darlene Joslin - Oct 1, 2024 - 2:11 PM