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Town of Aurora
Information Report
No. FIN22-033

Subject: Annual Cancellation, Reduction or Refund of Property Taxes under Sections 357 and 358 of the Municipal Act

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Department: Finance

Date: December 6, 2022

In accordance with the Procedure By-law, any Member of Council may request that this Information Report be placed on an upcoming General Committee or Council meeting agenda for discussion.

Executive Summary

This report provides information on the adjustments to property taxes and interest pursuant to the provisions of Section 357 and 358 of the *Municipal Act*.

- Eight Section 357 applications resulted in adjustments of \$79,448.19 in reduced taxes
- One Section 358 application resulted in adjustments of \$2,767.67 in reduced taxes
- The Municipal Property Assessment Corporation reviews and verifies all applications

Background

Adjustments under Section 357

Under Section 357 of the Act, property owners or their agents may make application for the cancellation of property taxes for the current year in response to changes in current value assessment that result in an increase or decrease in property taxes. This property tax adjustment is not a result of the Town having failed to collect rightful taxes but rather adjusts the property taxes to the correct and proper amount.

Adjustments under Section 358

Under Section 358 of the Act, property owners or their agents may make application for the cancellation of property taxes due to gross or manifest errors made by the Municipal Property Assessment Corporation in the current value assessment for two years prior to the current taxation year. This property tax adjustment is not because of the Town having failed to collect rightful taxes but rather adjusts the property taxes to the correct and proper amount.

Analysis

Eight Section 357 applications resulted in adjustments of \$79,448.19 in reduced taxes

Eight applications were received prior to the deadline of February 28th, 2022, for the 2022 taxation years for property taxes to be adjusted under Section 357 totaling \$79,448.19 as listed in Attachment 1 titled "Tax Adjustments under Section 357 of the Municipal Act". This amount represents an overall tax reduction to the properties.

Table 1 summarizes the 357 adjustments representing total property tax adjustments of \$79,448.19 by the respective shares.

Table 1
Summary of 357 Adjustments

Tax Year	Town of Aurora (\$)	York Region (\$)	Boards of Education (\$)	Total (\$)
2022	(28,208.21)	(32,743.53)	(18,496.45)	(79,448.19)
Total	(28,208.21)	(32,743.53)	(18,496.45)	(79,448.19)

The Town, as legislated to do so, will adjust the appropriate portions due to/from The Regional Municipality of York and the respective boards of education.

Property owners have until February 28th, 2023, to apply under Section 357 for adjustments with respect to the 2022 taxation year.

One Section 358 application resulted in adjustments of \$2,767.67 in reduced taxes

One application was received under Section 358 for the taxation year 2020. These adjustments are listed in Attachment 2 titled "Tax Adjustments under Section 358 of the Act" and result in an overall tax reduction to the affected properties. Table 2

summarizes the total property tax adjustment of \$2,767.67 that were refunded to the property owners.

Table 2
Summary of 358 Adjustments

Tax Year	Town of Aurora (\$)	York Region (\$)	Boards of Education (\$)	Total (\$)
2020	(1,014.98)	(1,182.99)	(569.70)	(2,767.67)
Total	(1,014.98)	(1,182.99)	(569.70)	(2,767.67)

Property owners have until December 31st, 2022, to apply under Section 358 for adjustments for one or both of the two years preceding the year in which the application is made.

The Municipal Property Assessment Corporation reviews and verifies all applications

The Municipal Property Assessment Corporation (MPAC) has reviewed all applications and they have verified assessment values and taxation periods used to determine the property tax adjustments.

MPAC's review of these type of applications occurs throughout the year with the adjustments to the tax bills being made as they are received.

Advisory Committee Review

Not applicable

Legal Considerations

In accordance with Section 357 of the *Municipal Act, 2001*, Council may cancel, reduce, or refund all or part of the taxes levied on a property for various reasons, including a change in assessments. An applicant has 35 days to appeal Council's decision to the Assessment Review Board. The Board will hear the appeal and make a decision, which is considered final.

In accordance with Section 358 of the *Municipal Act, 2001*, Council may cancel, reduce, or refund all or part of the taxes levied on a property for overcharges. MPAC must confirm that there was an error in the assessment.

Financial Implications

Table 3 below summarizes the total property tax adjustments for 357 and 358 applications. The Town's share of the property tax adjustments results in a net amount of \$29,233.19 being refunded to the property tax owners.

Table 3
Summary of 357 and 358 Adjustments

Adjustment Type	Town of Aurora (\$)	York Region (\$)	Boards of Education (\$)	Total (\$)
Section 357	(28,208.21)	(32,743.53)	(18,496.45)	(79,448.19)
Section 358	(1,014.98)	(1,182.99)	(569.70)	(2,767.67)
Total	(29,233.19)	(33,926.52)	(19,066.15)	(82,215.86)

The Town's 2022 budget for its share of all property tax adjustments such as 357's/358's, Assessment Review Board decisions, and Municipal Property Assessment Corporation's minutes of settlement (re-assessment, tax class change) is \$280,000.

Communications Considerations

Finance staff have advised each property owner in writing in this matter and updated the property tax accounts as required.

Climate Change Considerations

The recommendations from this report does not impact greenhouse gas emissions or impact climate change adaptation.

Link to Strategic Plan

Adjusting tax accounts to reflect verified adjustments to assessment values contributes to achieving the Strategic Plan guiding principal of "Leadership in Corporate Management" and improves transparency and accountability to the community.

Alternative(s) to the Recommendation

There are no alternatives to the recommendations contain in this report. The adjustments recommended are statutory and have been validated by Municipal Property Assessment Corporation and are now rightfully due to the property owners.

Conclusions

The adjustment of property taxes in this report under Sections 357 and 358 of the Act total \$82,215.86 with Aurora's share being \$29,233.19.

Attachments

Attachment 1 - Tax Adjustments under Section 357 of the Municipal Act

Attachment 2 - Tax Adjustments under Section 358 of the Municipal Act

Previous Reports

Not applicable

Pre-submission Review

Agenda Management Team review on November 17, 2022.

Approvals

Approved by Rachel Wainwright-van Kessel, CPA, CMA, Director, Finance / Treasurer

Approved by Doug Nadorozny, Chief Administrative Officer

Tax adjustments under Section 357 of the Municipal Act

(includes but not limited to fire, demolition, exemption, assessment error correction, tax class change)

Summary Total 357

Town	Region	Education	Total
\$ 28,208.21	\$ 32,743.53	\$ 18,496.45	\$ 79,448.19

Municipal Act , Section 357

Roll #	Property Type	Reason for Adjustment	Amount reduced			
			Town	Region	Education	Total
194600004118400.0000	RT	Demolition	\$ 4,351.85	\$ 5,031.57	\$ 2,379.18	\$ 11,762.60
194600004415200.0000	RT	Exempt	\$ 2,528.71	\$ 2,954.81	\$ 1,344.09	\$ 6,827.61
194600007051284.0000	RT	Demolition	\$ 12,130.40	\$ 14,083.25	\$ 6,718.33	\$ 32,931.98
194600008193005.0000	RT	Exempt	\$ 203.96	\$ 235.51	\$ 110.40	\$ 549.87
194600008193041.0000	RT	Demolition	\$ 218.33	\$ 251.97	\$ 114.75	\$ 585.05
194600008196029.0000	RT	Exempt	\$ 81.34	\$ 93.92	\$ 44.02	\$ 219.28
194600008196030.0000	RT	Exempt	\$ 46.65	\$ 53.86	\$ 25.25	\$ 125.76
194600010530701.0000	CP/CW/CZ	Became exempt	\$ 8,646.97	\$ 10,038.64	\$ 7,760.43	\$ 26,446.04
Total			\$ 28,208.21	\$ 32,743.53	\$ 18,496.45	\$ 79,448.19

Tax adjustments under Section 358 of the Municipal Act
(overcharged caused by an error in assessment - clerical, typographical)

Summary Total 358	Town	Region	Education	Total
	\$1,014.98	\$1,182.99	\$569.70	\$2,767.67

Municipal Act, Section 358

Amount reduced						
Roll #	Property Type	Reason for Adjustment	Town	Region	Education	Total
194600004009500.0000	RT	Gross or Manifest Error	\$1,014.98	\$1,182.99	\$569.70	\$2,767.67
Total			\$1,014.98	\$1,182.99	\$569.70	\$2,767.67