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Town of Aurora  
**General Committee Report**  
No. FIN20-029

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

**Prepared by:** Elizabeth Quattrociocchi, Manager, Financial Reporting & Revenue /Deputy Treasurer; and Lindsay Lee, Revenue Administrator

**Department:** Finance

**Date:** December 1, 2020

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## Recommendation

1. That Report No. FIN20-029 be received; and
2. That total property taxes in the amount of \$4,072.20 due from the property owners be adjusted pursuant to Section 357 of the *Municipal Act, 2001*, as amended (the Act); and
3. That total property taxes in the amount of \$10,923.45 due to the property owners be adjusted pursuant to Section 358 of the Act; and
4. That any associated interest charged applicable to these adjustments be cancelled in proportion to the total property taxes adjusted; and
5. That the Director of Finance, Treasurer be directed to remove said property taxes from the collector's roll reflecting these property tax adjustments; and
6. That the Director of Finance, Treasurer be delegated the authority, to process and remove property taxes from the collector's roll reflecting property tax adjustments throughout the calendar year, as set out in sections 357 and 358 of the *Municipal Act*, and with an information report presented to Council at the end of each calendar year.

## Executive Summary

This report is to obtain approval to adjust property taxes and interest pursuant to the provisions of Sections 357 and 358 of the *Municipal Act*.

- Three section 357 applications to be adjusted resulting in \$4,072.20 in reduced taxes
- 10 section 358 applications to be adjusted resulting in \$10,923.45 of 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 as 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 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**

### **Three section 357 applications to be adjusted resulting in \$4,072.20 in reduced taxes**

Three (3) applications were received prior to the deadline of February 29th, 2020 for the 2019 and 2020 taxation years for property taxes to be adjusted under Section 357 totaling \$4,072.20 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 for both taxation years representing total property tax adjustments of \$4,072.20 by the respective shares.

**Table #1**  
**Summary of 357 Adjustments**

| Tax Year | Town of Aurora (\$) | York Region (\$) | Boards of Education (\$) | Total (\$) |
|----------|---------------------|------------------|--------------------------|------------|
| 2019     | (482.10)            | (562.29)         | (268.99)                 | (1,313.38) |
| 2020     | (987.89)            | (1,096.24)       | (674.69)                 | (2,758.82) |
| Total    | (1,469.99)          | (1,658.53)       | (943.68)                 | (4,072.20) |

The Town, as legislated, will adjust the appropriate portions due to/from The Regional Municipality of York and the respective York Region Boards of Education.

Property owners have until February 28<sup>th</sup>, 2021 to apply under Section 357 for adjustments with respect to the 2020 taxation year.

#### **10 section 358 applications to be adjusted resulting in \$10,923.45 of reduced taxes**

10 applications were received under Section 358 for the taxation years 2017, 2018, and 2019. 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 \$10,923.45 that will be refunded to the property owners.

**Table #2**  
**Summary of 358 Adjustments**

| Tax Year | Town of Aurora (\$) | York Region (\$)  | Boards of Education (\$) | Total (\$)         |
|----------|---------------------|-------------------|--------------------------|--------------------|
| 2017     | (347.72)            | (408.27)          | (196.50)                 | (952.49)           |
| 2018     | (2,816.14)          | (3,279.95)        | (1,590.36)               | (7,686.45)         |
| 2019     | (838.57)            | (978.05)          | (467.89)                 | (2,284.50)         |
| Total    | <b>(4,002.43)</b>   | <b>(4,666.27)</b> | <b>(2,254.75)</b>        | <b>(10,923.45)</b> |

Property owners have until December 31<sup>st</sup>, 2020 to apply under Section 358 for adjustments in respect of the 2017, 2018 and 2019 taxation years.

#### **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 after the approval of this report. It is recommended in this report, that going forward in 2021, the adjustments be authorized and processed by the Treasurer as they become available with an information report summarizing these adjustments to Council at the end of the year.

## 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. Prior to Council's decision, MPAC must confirm that there was an error in the assessment.

In both of the above cases, an applicant may make representations to Council at the meeting where Council makes its decision.

## 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 \$5,472.42 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     | (1,469.99)          | (1,658.53)       | (943.68)                 | (4,072.20)  |
| Section 358     | (4,002.43)          | (4,666.27)       | (2,254.75)               | (10,923.45) |

|              |                   |                   |                   |                    |
|--------------|-------------------|-------------------|-------------------|--------------------|
| <b>Total</b> | <b>(5,472.42)</b> | <b>(6,324.80)</b> | <b>(3,198.43)</b> | <b>(14,995.65)</b> |
|--------------|-------------------|-------------------|-------------------|--------------------|

The Town's 2020 budget for our share of property tax adjustments such as 357's, 358's, Assessment Review Board decisions and Municipal Property Assessment Corporation's minutes of settlement is \$200,000.

## Communications Considerations

Finance staff will advise each property owner in writing of Council's decision in this matter and update the property tax accounts as required.

## 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

That the adjustment of property taxes as recommended in this report under Sections 357 and 358 of the Act totaling \$ 14,995.65 be approved.

## 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 12, 2020

## **Approvals**

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

Approved by Doug Nadorozny, Chief Administrative Officer