



CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial Services and Taxation Division

TO:	Chair and Members Audit, Finance and Administration
COMMITTEE DATE:	May 06, 2021
SUBJECT/REPORT NO:	Treasurer's Write-off of Taxes under Section 354 of the Municipal Act, 2001 (FCS21035) (Ward 5)
WARD(S) AFFECTED:	Ward 5
PREPARED BY:	Maria Di Santo (905) 546-2424 Ext. 5254
SUBMITTED BY:	Rick Male Director, Financial Services, Taxation and Corporate Controller Finance and Corporate Services Department
SIGNATURE:	

RECOMMENDATION

That property taxes in the amount of \$5,422.18 for 310 Beach Boulevard, Hamilton (Roll #2518 050 511 02440 0000) be written off under Section 354 of the Municipal Act and that Hamilton Beach Rescue Unit Inc. be refunded the property taxes paid in error.

EXECUTIVE SUMMARY

Section 354(4)(a) of the *Municipal Act, 2001* allows Council to write-off taxes “if the property is owned by Canada, a province or territory or a Crown agency of any of them or by a municipality”. In the case of 310 Beach Boulevard, Hamilton (Roll #2518 050 511 02440 0000), the property was owned by the City of Hamilton (City), and as such, exempt from property taxes up until it was wrongly transferred to Hamilton Beach Rescue Unit Inc. as part of the real estate transaction to accommodate their expansion. Upon the transfer of ownership, the Municipal Property Assessment Corporation (MPAC) issued a class change from exempt to Residential taxable effective June 28, 2017. The transfer was completed in error, as Transfer/Deed registered as Instrument No. WE1216985, to accommodate Hamilton Beach Rescue Unit Inc.’s expansion, misidentified the property as containing Parts 2 & 3 on Registered Plan 62R-17740, where it should have been only Part 2 on Registered Plan 62R-17740 known as 312 Beach Boulevard. The ownership of Part 3 known as 310 Beach Boulevard, Hamilton,

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should have remained with the City of Hamilton and not have been included in the above-mentioned transfer. Therefore, 310 Beach Boulevard, Hamilton, should have continued to be exempt and not subject to property taxes.

Hamilton Beach Rescue Unit Inc. returned the property to the City of Hamilton on February 20, 2020 but has requested the refund of property taxes paid to date, which totals \$5,422.18. Although the property taxes are not unpaid, it is prudent that the City agree to the refund, being that the property taxes should not have been billed in the first place. As taxes were billed together for Parts 2 & 3, Hamilton Beach Rescue Unit Inc. is responsible for the portion of property taxes associated only with Part 2.

Staff are recommending the write-off of property taxes for the period of June 28, 2017 (when ownership was incorrectly changed) to February 20, 2020 (when ownership was transferred back to the City of Hamilton). Taxation staff have already submitted a Municipal Act application for exemption effective February 20, 2020.

Alternatives for Consideration –Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: As per the following table, the property taxes to be written off total \$5,422.18. The municipal tax portion is \$4,696.96 to be charged to HAMTN 52174-252013. The amount to be recovered from the English Public-School Board is \$725.22 to be charged to HAMTN 52174-252025. Hamilton Beach Rescue Unit Inc. has paid the 2017, 2018, and 2019 total property taxes levied in full, in addition to the first instalment of the 2020 property taxes levied, totalling \$5,422.18.

	Tax Year				Total
	2017	2018	2019	2020	
Total Taxes Paid	\$1,319.33	\$2,631.20	\$2,697.28	\$674.00	
Taxes for Part 2	\$266.13	\$530.76	\$544.09	\$558.65	
Refund	\$1,053.20	\$2,100.44	\$2,153.19	\$115.35	\$5,422.18

Staffing: Not Applicable

Legal: The City's Legal Services have already completed the transfer of title back to the City of Hamilton.

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HISTORICAL BACKGROUND

Part 2 on Registered Plan 62R-17740 known as 312 Beach Boulevard was transferred from the City of Hamilton to the Hamilton Beach Rescue Unit Inc. to accommodate their expansion. The transfer of 310 Beach Boulevard, Hamilton (Parts 3 on Registered Plan 62R-17740) was completed in error.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Municipal Act, (2001), Part XI, Section 354.

RELEVANT CONSULTATION

City of Hamilton's Legal Services.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The ownership of 310 Beach Boulevard, Hamilton (Part 3 on Registered Plan 62R-17740) should have remained with the City of Hamilton and should not have been subject to property taxes. Hamilton Beach Rescue Unit Inc. should not have paid the property taxes billed for Part 3 on Registered Plan 62R-17740. They were not aware that they owned this parcel and therefore had no beneficial ownership of the property. Due to this error, Hamilton Beach Rescue Unit Inc. should be refunded the property taxes paid to date. Taxation staff have already prepared a Municipal Act application for exemption as of February 20, 2020 (date the title of the property changed back to the City of Hamilton).

ALTERNATIVES FOR CONSIDERATION

Not applicable.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement & Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report FCS21035 – Municipal Address Map of 310 Beach Boulevard, Hamilton (Roll #2518 050 511 02440 0000), Ward 5.

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