



Report to: General Committee

Meeting Date: November 18, 2019

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**SUBJECT:** Tax Write-offs in Accordance with Section 354 of the  
Municipal Act, 2001

**PREPARED BY:** Shane Manson, Senior Manager, Revenue & Property Tax

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**RECOMMENDATION:**

1. That the report entitled Tax Write-offs in Accordance with Section 354 of the *Municipal Act, 2001* be received; and,
2. That the amounts totalling \$130,747 as set out in this report, be written-off pursuant to Section 354 of the *Municipal Act, 2001*; and,
3. That the City of Markham's portion of the write-off of \$32,687, be charged to Account 820-820-7040; and,
4. That the Treasurer be directed to remove these amounts from the Collector's Roll; and,
5. That the associated interest be cancelled in proportion to the tax adjustments; and further,
6. That staff be authorized to and directed to do all things necessary to give effect to this resolutions.

**PURPOSE:**

The purpose of this report is to obtain the approval of Council to write-off amounts on various property accounts included within Appendix A of this report.

**BACKGROUND:**

The provisions included within section 354 of the *Municipal Act, 2001 (The Act)* provide the Treasurer the authority to recommend to Council that uncollectible amounts be written-off in whole or in part, including on property owned by Canada, a province, and or a Crown Agency of either of them.

**OPTIONS/ DISCUSSION:**

Properties owned by the federal and/or provincial governments are exempt from property taxation but are eligible to make Payments in Lieu of Taxes (PILTs) payments. PILTs are unlike property taxes in two important ways: PILTs are made voluntarily, and the government has the discretion with determining the property values and the property classification is used for calculating PILTs.

The City's PILT requests are calculated using the current value assessment (CVA) and tax classifications returned on the assessment roll by the Municipal Property Assessment

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Corporation (MPAC), multiplied by the applicable tax rates for the property. In most cases, PILTs are paid in the amounts requested by the City of Markham.

There are currently 217 properties in City of Markham which are eligible to make PILT payments. The total amount billed for these properties was \$2,321,522 of which the City received payment of \$2,190,775 or 95%, leaving the remaining amount of \$130,747 or 5% outstanding.

Staff has determined, the outstanding amount of \$130,747 is attributed to thirty-five (35) properties which are owned by the Government of Canada. Public Services and Procurement Canada (PSPC) (formerly and commonly referred to as Public Works Canada) is a department of the federal government. A consolidate listing of the 35 properties is included within Appendix A.

The PILT amounts paid each year by Public Works on these 35 properties has not represented the full amount billed, but rather an adjusted amount which is based on the Crown interpreting these properties as being in the farm class, rather than the residential class as determined by MPAC. The Crown has the discretion with determining both the property values and the property classification used for calculating PILT payments. As the City does not have the authority to require the Crown to make full payment on PILT requests, Staff are recommending that the outstanding amount be written-off.

#### **FINANCIAL CONSIDERATIONS**

The amounts recommended for write-off total \$130,747. Of this total, the City's portion is \$32,687, the Region's portion is \$66,681 and the Province's portion is \$31,379. The write-off amounts for both the Region and the Province will be charged back accordingly through the annual remittance payment. The City's portion of the write-off amount will be charged to account 820-820-7040 (being the Tax Write-off Account).

#### **HUMAN RESOURCES CONSIDERATIONS**

N/A

#### **ALIGNMENT WITH STRATEGIC PRIORITIES:**

N/A

#### **BUSINESS UNITS CONSULTED AND AFFECTED:**

N/A

#### **RECOMMENDED BY:**

Joel Lustig  
Treasurer

Trinela Cane  
Commissioner, Corporate Services

#### **ATTACHMENTS:**

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Appendix A: Write-off Summary

### Appendix A: Write-off Summary

Property #	Ward	Roll Number	Property Location	Owner	No. of Years Outstanding	Amount to be Written-off
1	5	1936-030-266-58000-0000	19TH AVE	PUBLIC WORKS CANADA	1	\$3,843
2	5	1936-030-242-53000-0000	NINTH LINE W/S	PUBLIC WORKS CANADA	1	\$1,572
3	5	1936-030-242-54000-0000	NINTH LINE W/S	PUBLIC WORKS CANADA	1	\$908
4	5	1936-030-242-54100-0000	NINTH LINE W/S	PUBLIC WORKS CANADA	1	\$4,238
5	5	1936-030-242-70000-0000	11306 NINTH LINE	PUBLIC WORKS CANADA	1	\$1,254
6	5	1936-030-243-10000-0000	6445 19TH AVE	PUBLIC WORKS CANADA	1	\$5,407
7	5	1936-030-261-81400-0000	9992 YORKDURHAM LINE	PUBLIC WORKS CANADA	1	\$1,801
8	5	1936-030-261-85500-0000	7255 MAJOR MACKENZIE	PUBLIC WORKS CANADA	1	\$13,175
9	5	1936-030-262-24800-0000	MAJOR MACKENZIE N/S	PUBLIC WORKS CANADA	1	\$2,854
10	5	1936-030-262-27600-0000	7192 MAJOR MACKENZIE	PUBLIC WORKS CANADA	1	\$921
11	5	1936-030-262-35400-0000	7630 MAJOR MACKENZIE	PUBLIC WORKS CANADA	1	\$6,921
12	5	1936-030-262-67700-0000	10389 NINTH LINE	PUBLIC WORKS CANADA	1	\$8,893
13	5	1936-030-262-78000-0000	10531 NINTH LINE	PUBLIC WORKS CANADA	1	\$8,781
14	5	1936-030-263-34500-0000	REESOR RD W/S	PUBLIC WORKS CANADA	1	\$2,269
15	5	1936-030-264-81700-0000	73567368 ELGIN MILLS RD E	PUBLIC WORKS CANADA	1	\$4,203
16	5	1936-030-264-81700-0000	73567368 ELGIN MILLS RD E	PUBLIC WORKS CANADA	1	\$1,382
17	5	1936-030-265-08400-0000	10903 NINTH LINE	PUBLIC WORKS CANADA	1	\$2,534
18	5	1936-030-265-21100-0000	11129 NINTH LINE	PUBLIC WORKS CANADA	1	\$7,523
19	5	1936-030-266-08400-0000	11201 REESOR RD	PUBLIC WORKS CANADA	1	\$7,223
20	5	1936-030-266-20700-0000	11315 REESOR RD	PUBLIC WORKS CANADA	1	\$2,495
21	5	1936-030-266-34400-0000	1129011350 YORKDURHAM LINE	PUBLIC WORKS CANADA	1	\$2,906
22	5	1936-030-266-38400-0000	11410 YORKDURHAM LINE	PUBLIC WORKS CANADA	1	\$2,691
23	5	1936-030-266-54500-0000	19TH AVE	PUBLIC WORKS CANADA	1	\$2,922
24	5	1936-030-266-64500-0000	19TH AVE	PUBLIC WORKS CANADA	1	\$2,214

