



Report to: General Committee

Meeting Date: October 18, 2021

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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 Taxation

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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 taxes for 2019 and 2020 totalling \$236,448 as set out in this report, of which the City's portion is \$57,499 be written-off pursuant to the provisions of Section 354 of the *Municipal Act, 2001*; and,
3. That the Markham portion of the taxes be charged to Tax Write-off Account 820-820-7040; and,
4. That the Treasurer be directed to remove the taxes from the Collector's Roll; and,
5. That the associated interest be cancelled in proportion to the tax adjustments; and,
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. Due to the COVID-19 pandemic no report was brought forward in 2020, thus any property which indicates 2 years outstanding balances as noted within Appendix A, includes amounts from the 2019 and 2020 taxation years.

**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 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 197 properties in City of Markham which are eligible to make PILT payments. The total amount billed for these properties for 2019 and 2020 was \$5,071,883 of which the City received payment for \$4,839,739 or 95%, leaving the remaining amount of \$232,144 or 5% outstanding, of which the City's share is \$56,923.

Staff has determined, the outstanding amount of \$232,144 is attributed to twenty-eight (28) 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 (Crown). A consolidate listing of the 28 properties is included within Appendix A.

The PILT amounts paid each year by Public Works on these 28 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. In previous years there was 35 properties included within this grouping, however now this has been reduced to 28, as the remaining 7 properties have been transferred into the ownership of Parks Canada Agency. Currently, Parks Canada Agency and the Municipal Property Assessment Corporation (MPAC) are undertaking a review of the Parks Canada properties and staff will report back to Council should any amounts be required to be adjusted.

In addition, there are three (3) properties which are owned by the City and the taxes are collected from tenants. These 3 property tenants have outstanding taxes from 2020 due to the closure of facilities in response to the COVID-19 pandemic. In May 2020, Council gave the Senior Manager of Real Property and the Treasurer the authority to amend the City's leases and other agreements with tenants and licensees of City-owned properties to address situations arising from an Emergency. In alignment with the rental payment waiver, Staff recommend to write off the prorated 2020 taxes for these 3 tenants which total \$4,304 of which the City's share is \$576.

## **FINANCIAL CONSIDERATIONS**

The amounts recommended for write-off total \$236,448 (\$232,144 + \$4,304). Of this total, the City's portion is \$57,499 (\$56,923 + \$576), the Region's portion is \$119,834 and the Province's portion is \$59,115. 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**

Not applicable.

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

Not applicable.

**BUSINESS UNITS CONSULTED AND AFFECTED:**

Not applicable.

**RECOMMENDED BY:**

Joel Lustig  
Treasurer

Trinela Cane  
Commissioner, Corporate Services

**ATTACHMENTS:**

Appendix A – Write-off Summary

### Appendix A: Write-off Summary

#	Ward	Roll Number	Property Location	Owner	No. of Years	Total Write-off
1	5	1936-030-242-53000-0000	NINTH LINE W/S	PUBLIC WORKS CANADA	2	\$3,198
2	5	1936-030-242-54000-0000	NINTH LINE W/S	PUBLIC WORKS CANADA	2	\$1,869
3	5	1936-030-242-54100-0000	NINTH LINE W/S	PUBLIC WORKS CANADA	2	\$8,439
4	5	1936-030-242-70000-0000	11306 NINTH LINE	PUBLIC WORKS CANADA	2	\$2,565
5	5	1936-030-243-10000-0000	6445 19TH AVE	PUBLIC WORKS CANADA	2	\$11,445
6	5	1936-030-261-81400-0000	9992 YORKDURHAM LINE	PUBLIC WORKS CANADA	2	\$3,342
7	5	1936-030-261-85500-0000	7255 MAJOR MACKENZIE	PUBLIC WORKS CANADA	2	\$31,588
8	5	1936-030-262-24800-0000	MAJOR MACKENZIE N/S	PUBLIC WORKS CANADA	2	\$1,754
9	5	1936-030-262-27600-0000	7192 MAJOR MACKENZIE	PUBLIC WORKS CANADA	2	\$1,897
10	5	1936-030-262-35400-0000	7630 MAJOR MACKENZIE	PUBLIC WORKS CANADA	2	\$13,685
11	5	1936-030-262-67700-0000	10389 NINTH LINE	PUBLIC WORKS CANADA	2	\$17,673
12	5	1936-030-262-78000-0000	10531 NINTH LINE	PUBLIC WORKS CANADA	2	\$17,383
13	5	1936-030-263-34500-0000	REESOR RD W/S	PUBLIC WORKS CANADA	2	\$4,952
14	5	1936-030-264-81700-0000	73567368 ELGIN MILLS RD E	PUBLIC WORKS CANADA	2	\$10,916
15	5	1936-030-265-08400-0000	10903 NINTH LINE	PUBLIC WORKS CANADA	2	\$5,437
16	5	1936-030-265-21100-0000	11129 NINTH LINE	PUBLIC WORKS CANADA	2	\$14,918
17	5	1936-030-266-08400-0000	11201 REESOR RD	PUBLIC WORKS CANADA	2	\$14,357

#	Ward	Roll Number	Property Location	Owner	No. of Years	Total Write-off
18	5	1936-030-266-20700-0000	11315 REESOR RD	PUBLIC WORKS CANADA	2	\$5,038
19	5	1936-030-266-34400-0000	1129011350 YORKDURHAM LINE	PUBLIC WORKS CANADA	2	\$5,830
20	5	1936-030-266-38400-0000	11410 YORKDURHAM LINE	PUBLIC WORKS CANADA	2	\$4,995
21	5	1936-030-266-54500-0000	19TH AVE	PUBLIC WORKS CANADA	2	\$5,880
22	5	1936-030-266-58000-0000	19TH AVE	PUBLIC WORKS CANADA	2	\$7,691
23	5	1936-030-266-64500-0000	19TH AVE	PUBLIC WORKS CANADA	2	\$4,473
24	5	1936-030-266-65000-0000	19TH AVE	PUBLIC WORKS CANADA	2	\$4,473
25	5	1936-030-263-55000-0000	10377 REESOR RD	PUBLIC WORKS CANADA	2	\$6,904
26	5	1936-030-264-67700-0000	0 ELGIN MILLS RD E	PUBLIC WORKS CANADA	1	\$1,885
27	5	1936-030-264-96300-0000	7840 ELGIN MILLS RD E	PUBLIC WORKS CANADA	2	\$18,609
28	5	1936-030-266-35000-0000	0 YORK-DURHAM LINE	PUBLIC WORKS CANADA	1	\$947
<b>Total 2019 and 2020</b>						<b>\$232,144</b>

#	Ward	Roll Number	Property Location	City of Markham Property Name/Tenant	No. of Years	Total Write-off
29	2	36-02-0-139-03100-0000	101 TOWN CENTRE BLVD	CIVIC CENTRE – CATERABLE INC.	1	\$1,593
30	3	36-02-0-127-20055-0000	16 MAIN ST	PAN AM CENTRE – PRESSE CAFÉ	1	\$1,364
31	5	36-03-0-256-75861-0000	3201 BUR OAK AVE	CORNELL COMMUNITY CENTRE – PRESSE CAFÉ	1	\$1,347
<b>Total</b>						<b>\$4,304</b>