



Report to: General Committee

Meeting Date: October 18, 2021

SUBJECT: Bill PR37, Parya Trillium Foundation Act (Tax Relief)

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

RECOMMENDATION:

1. That the report entitled Bill PR37, Parya Trillium Foundation Act (Tax Relief) be received; and,
2. That should Council approve the passage of a by-law authorized under subsection (1) and (2) of Bill Pr37, for the cancelling of taxes for municipal purposes, other than local improvement charges, for the property located at 344 John Street; the Treasurer or his designate adjust the property tax account accordingly; and,
3. That the associated interest be cancelled in proportion to the tax adjustments; and,
4. That staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report is to inform Council of the recent passage of Bill PR37, an Act respecting the Parya Trillium Foundation and seek Council direction on its new legislative authority and whether it wishes to provide a property tax exemption for the Parya Trillium Foundation property which is located at 344 John Street.

BACKGROUND:

The Parya Trillium Foundation (PTF) was incorporated in August 2001 under the *Canada Not-for-profit Corporations Act*, is a registered charity within the meaning of the *Income Tax Act* (Canada). PTF's mission is to provide a safe and welcoming space to meet the social and cultural needs of the Iranian-Canadian community with a special focus on providing programs and services to newcomers, youth and seniors. Their aim is to strengthen the capacity of the Farsi-speaking community and the community at large and provide services to the community to better integrate with and contribute to Canadian society as active citizens.

In 2020, PTF applied for special Provincial legislation that would provide an exemption from taxation for municipal and school purposes, other than local improvement rates, for the property PTF occupies in Markham. This exemption request received 1st Reading December 2, 2020 and Royal Assent on June 3, 2021 by the Ontario government.

Similar legislation was previously enacted for Joseph and Wolf Lebovic Jewish Community Campus in the City of Vaughan in 2008, whereby Council for the City of Vaughan was given legislative authority to pass a by-law exempting the specified property. Council for the City of Vaughan enacted the tax exemption by-law the 26th day of May, 2009.

OPTIONS/ DISCUSSION:

Bill PR37, Parya Trillium Foundation Act (Tax Relief) states;

2 (1) The council of the City of Markham may pass a by-law exempting the specified land from taxation for municipal purposes, other than local improvement rates, including interest and penalties, beginning January 1, 2020, if,

- a) the Foundation is the registered owner of the specified land;
- b) the specified land is occupied and used solely by the Foundation; and
- c) the Foundation is a registered charity within the meaning of the Income Tax Act (Canada).

(2) If the council of the City of Markham passes a by-law under subsection (1), it may pass a by-law cancelling the taxes for municipal purposes, other than local improvement rates, including interest and penalties, on the specified land for the following periods provided the conditions set out in clauses (1) (a), (b) and (c) are satisfied:

- 1. For all or part of the year 2019.
- 2. For any part of a year,
 - i. to which the exemption applies, and
 - ii. for which taxes have been levied.

Should Council wish to authorize a property tax exemption for the 2019, 2020 and 2021 taxation years under the new authority of the Bill PR37, Parya Trillium Foundation Act (Tax Relief). Staff will prepare a draft by-law and bring forward to the following Markham Council Agenda.

The total property tax adjustment for this exemption would total \$41,508.01 (*City share being \$10,140.64*). Figure 1 below illustrates the annual property taxes for the property occupied by Parya Trillium Foundation located at 344 John Street. It is also worth noting, that the adoption of tax exemption bylaw would continue for as long as the PTF remains at the property identified above.

Figure 1: Annual Property Taxes

Tax Year	City	Region	Education	Total
2019	\$ 3,428.42	\$ 7,110.44	\$ 3,401.53	\$ 13,940.39
2020	\$ 3,357.08	\$ 7,030.59	\$ 3,344.58	\$ 13,732.25
2021	\$ 3,355.14	\$ 7,135.65	\$ 3,344.58	\$ 13,835.37
Total	\$ 10,140.64	\$ 21,276.68	\$ 10,090.69	\$ 41,508.01

FINANCIAL CONSIDERATIONS

The City of Markham annually budgets for property tax adjustments, which come as a result of assessment appeals and from tax appeals filed under Section 357 and 358 of the *Municipal Act, 2001*. The 2021 property tax adjustment budget is \$1,301,000 which will fund the City's portion (\$10,140.64) of the total tax adjustment (\$41,508.01) noted in figure 1 above. The remaining property tax adjustment budget will fund other tax adjustments received throughout 2021.

Staff anticipate the property tax adjustment budget will be in a favorable position at year-end as a result of the current COVID-19 situation and the delays experienced by both the Assessment Review Board (ARB) and the Municipal Property Assessment Corporation (MPAC) during the provincial emergency closure period. Staff will report back with additional details through the year-end results of operations report.

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 – Bill PR37, Parya Trillium Foundation Act (Tax Relief), 2021

Appendix A – Bill PR37, Parya Trillium Foundation Act (Tax Relief), 2021**Bill PR37 2021 - An Act respecting the Parya Trillium Foundation****Preamble**

The Parya Trillium Foundation has applied for special legislation that provides for an exemption for certain land from taxation for municipal and school purposes, other than local improvement rates, while the Foundation occupies and uses the land.

The exemption applies to the land starting in January 1, 2020. The special legislation also provides for a cancellation of taxes for municipal and school purposes, other than local improvement rates, that were payable on the land for 2019 and for any year or part of a year to which the exemption applies and for which taxes have been levied.

The applicant represents that the Foundation was incorporated in August 2001 under the *Canada Not-for-profit Corporations Act*, is a registered charity within the meaning of the *Income Tax Act* (Canada) and has a freehold interest in the land.

It is appropriate to grant the application.

Therefore, Her Majesty, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

Definitions

1 In this Act,

“Foundation” means the Parya Trillium Foundation;

“specified land” means the land, as defined in the *Assessment Act*, municipally known as 344 John Street in the City of Markham and more specifically described as follows:

PT LT 14, PL 2382, PTS 2 & 3, 64R6227, SAVE & Except PT 4 EXPROPRIATION PL D746; MARKHAM

Municipal taxes

Tax exemption by-law

2 (1) The council of the City of Markham may pass a by-law exempting the specified land from taxation for municipal purposes, other than local improvement rates, including interest and penalties, beginning January 1, 2020, if,

- (a) the Foundation is the registered owner of the specified land;
- (b) the specified land is occupied and used solely by the Foundation; and
- (c) the Foundation is a registered charity within the meaning of the *Income Tax Act* (Canada).

Tax cancellation by-law

(2) If the council of the City of Markham passes a by-law under subsection (1), it may pass a by-law cancelling the taxes for municipal purposes, other than local improvement rates, including interest and penalties, on the specified land for the following periods provided the conditions set out in clauses (1) (a), (b) and (c) are satisfied:

1. For all or part of the year 2019.
2. For any part of a year,
 - i. to which the exemption applies, and
 - i. for which taxes have been levied.

Non-exempt portion of land

(3) For greater certainty, if any portion of the specified land is occupied and used by an entity other than the Foundation, that portion of specified land so occupied and used is not exempt from taxation under a by-law passed under subsection (1) and a cancellation of taxes for municipal purposes under subsection (2) does not apply to that portion.

School taxes

Tax exemption

3 (1) If the council of the City of Markham passes a by-law under subsection 2 (1), the specified land is also exempt from taxation for school purposes for the period for which the specified land is exempt from taxation for municipal purposes, other than local improvement rates, under the by-law.

Tax cancellation

(2) If the council of the City of Markham passes a by-law under subsection 2 (2), the taxes for school purposes on the specified land, including interest and penalties, are also cancelled for the period for which the taxes for municipal purposes, other than local improvement rates, are cancelled under the by-law.

Non-exempt portion of land

(3) For greater certainty, if any portion of the specified land is not exempt from taxation under a by-law passed under subsection 2 (1), as described in subsection 2 (3), an exemption from taxation for school purposes and a cancellation of taxes for school purposes do not apply to that portion.

Chargeback

(4) Section 353 (taxes collected on behalf of other bodies) of the *Municipal Act, 2001* applies, with necessary modifications, to taxes cancelled by subsection (2).