



Report to: General Committee

Report Date: May 22, 2018

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

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

RECOMMENDATIONS:

1. THAT the report entitled Tax Write-offs in Accordance with Section 354 of the *Municipal Act, 2001* be received; and,
2. THAT taxes totalling \$116,496 as set out in this report, of which the City's portion is \$29,269 be written-off pursuant to the provisions of Section 354 of the *Municipal Act, 2001*; and,
3. THAT the Treasurer be directed to remove the taxes from the Collector's Roll; and,
4. THAT the Markham portion of the taxes be charged to Tax Write-off Account 820-820-7040; 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:

Provisions under Section 354 of the *Municipal Act, 2001* (*The Act*) allow for the write-off of taxes deemed uncollectible. The purpose of this report is to obtain approval by Council to adjust and/or write-off the balance of various tax accounts as set out in the attached schedule. Total adjustments are \$116,496 in taxation, of which the City of Markham's share is \$29,269.

BACKGROUND:

Under Section 354 of *The Act*, the Treasurer has the authority to recommend to Council that uncollectible taxes be written off after an unsuccessful tax sale whether or not the property vests with the municipality; or, are no longer payable as the result of a provision for tax relief under a provincial statute; or, a decision of any court; or, if a tax sale would be either ineffective or inappropriate. Taxes levied on property of the Crown may also be written off.

The attached list of properties (Appendix A), is a "Summary of Uncollectible Taxes". This list pertains to Crown properties owned by Public Works Canada.

OPTIONS/ DISCUSSION:

Staff has determined that property taxes billed on twenty-eight (28) properties are uncollectible and should be written-off (Appendix A). The amount of taxes recommended to be written-off total \$116,496. Of this total, the City’s share is \$29,269. The balance of \$87,228 will be charged back to the Region of York and the Province accordingly.

The following provides a summary and breakdown of the properties included in the consolidated 28-property listing, which includes the number of properties and the associated tax amounts.

Properties for Tax Write-Off by Description

Property Description	Property Count	Tax Amount for Write-Off
Payment in Lieu – Public Works Canada	28	\$116,496

Properties Subject to Payment in lieu (PIL) of Tax:

The write-off amounts represent adjustments resulting from properties that are owned by Public Works Canada, which is a Crown corporation and is therefore classified as exempt from taxation, but eligible for payment in lieu of taxation. These properties are eligible to make payment to the municipality in lieu of taxes billed; however, the amount that has been paid is at the will of the Crown and has not addressed the full amount billed by the City of Markham. The City does not have the authority to require the Crown to make payment on the amounts billed.

A summary of the properties owned by Public Works Canada as well as the associated recommended write-off amount is provided below.

Number of Properties - 28

Property Owner – Public Works Canada

Reason for Write-off – Payment in lieu of Taxes (Crown Properties)

Overdue tax levies: \$116,496

These twenty-eight properties are owned by Public Works Canada, whose payment in lieu of taxation are made based on the Crown’s independent interpretation of assessment value and classification. The amounts paid annually on these properties have not represented the full amount billed. This is due to the Crown interpreting the majority of these properties as being in the farm class rather than residential (MPAC’s classification). As such, the Crown calculates payment in lieu based on the farm class tax rate; which is 25% of the residential class. The total amount billed for all properties was \$444,422, of which Public Works Canada remitted payment for \$327,926 leaving a remaining amount of \$116,496. The City does not have the authority to require the Crown to make payment on the amounts billed.

It is therefore recommended that the remaining taxes totaling \$116,496 be written off as illustrated in figure 1 below.

Figure 1 – Write-Off by Levying Body

Levying Body Share	Tax Amount
City Share	\$29,269
Region	\$58,885
Province	\$28,342
Total Tax	\$116,496

FINANCIAL CONSIDERATIONS:

The amounts of taxes that require removal from the Tax Collector’s roll total \$116,496. Of this total, the City’s share is \$29,269. The Region of York and Province’s share of \$87,227 will be recovered from them accordingly. The 2018 property tax adjustment budget is \$30,000 and will be impacted by \$29,269 resulting from the Section 354 tax write-off in this report.

The City of Markham portion of the taxes will be charged to Tax Write-off Account 820-820-7040.

HUMAN RESOURCES CONSIDERATIONS:

Not applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

Not applicable.

BUSINESS UNITS CONSULTED AND AFFECTED:

None.

RECOMMENDED BY:

2018-05-14

2018-05-14

X 

X 

Joel Lustig
Treasurer
Signed by: cxa

Trinela Cane
Commissioner, Corporate Services
Signed by: cxa

ATTACHMENTS:

Appendix A – Summary of Tax Write-offs

Appendix A: Summary of Tax Write-offs

Property	Ward	Roll Number	Property Location	Owner	No. Of Years Outstanding	Total Taxes
1	5	1936-030-242-53000-0000	0 Ninth Line W/S	Public Works Canada	1	\$1,559
2	5	1936-030-242-54000-0000	0 Ninth Line W/S	Public Works Canada	1	\$893
3	5	1936-030-242-54100-0000	0 Ninth Line W/S	Public Works Canada	1	\$4,275
4	5	1936-030-242-70000-0000	11306 Ninth Line	Public Works Canada	1	\$1,239
5	5	1936-030-243-10000-0000	6445 19th Ave	Public Works Canada	1	\$5,192
6	5	1936-030-261-81400-0000	9992 York Durham Line	Public Works Canada	1	\$1,909
7	5	1936-030-261-85500-0000	7255 Major Mackenzie	Public Works Canada	1	\$15,899
8	5	1936-030-262-10900-0000	7917 Major Mackenzie Dr	Public Works Canada	1	\$3,739
9	5	1936-030-262-24800-0000	Major Mackenzie N/S	Public Works Canada	1	\$2,650
10	5	1936-030-262-27600-0000	7192 Major Mackenzie	Public Works Canada	1	\$905
11	5	1936-030-262-35400-0000	7630 Major Mackenzie	Public Works Canada	1	\$7,019
12	5	1936-030-262-67700-0000	10389 Ninth Line	Public Works Canada	1	\$8,984
13	5	1936-030-262-78000-0000	10531 Ninth Line	Public Works Canada	1	\$8,897
14	5	1936-030-263-34500-0000	0 Reesor Rd W/S	Public Works Canada	1	\$2,122
15	5	1936-030-263-55000-0000	10377 Reesor Rd	Public Works Canada	1	\$1,206
16	5	1936-030-264-81700-0000	7356-7368 Elgin Mills Rd E	Public Works Canada	1	\$5,712
17	5	1936-030-264-96300-0000	7840 Elgin Mills Rd E	Public Works Canada	1	\$6,625
18	5	1936-030-265-08400-0000	10903 Ninth Line	Public Works Canada	1	\$2,406
19	5	1936-030-265-21100-0000	11129 Ninth Line	Public Works Canada	1	\$7,612
20	5	1936-030-266-08400-0000	11201 Reesor Rd	Public Works Canada	1	\$7,295
21	5	1936-030-266-20700-0000	11315 Reesor Rd	Public Works Canada	1	\$2,490
22	5	1936-030-266-34400-0000	1129-11350 York Durham Line	Public Works Canada	1	\$2,915
23	5	1936-030-266-35000-0000	0 York Durrham Line	Public Works Canada	1	\$898
24	5	1936-030-266-38400-0000	11410 York Durham Line	Public Works Canada	1	\$2,853
25	5	1936-030-266-54500-0000	0 19th Ave	Public Works Canada	1	\$2,923

Property	Ward	Roll Number	Property Location	Owner	No. Of Years Outstanding	Total Taxes
26	5	1936-030-266-58000-0000	0 19th Ave S/S	Public Works Canada	1	\$3,861
27	5	1936-030-266-64500-0000	0 19th Ave	Public Works Canada	1	\$2,209
28	5	1936-030-266-65000-0000	0 19th Ave	Public Works Canada	1	\$2,209
Total						\$116,496