



Report to: General Committee

Report Date: October 31, 2016

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 taxes totalling \$207,268 as set out in this report, of which the City's portion is \$52,563 be written off pursuant to the provisions of Section 354 of the *Municipal Act, 2001*.
2. And That the Treasurer be directed to remove the taxes from the Collector's Roll;
3. And That the Markham portion of the taxes be charged to Tax Write-off Account 820-820-7040;
4. And That the Treasurer be authorized to write-off all outstanding taxes annually for the following properties;
 - a. 0 Barclay Court.
 - b. 0 Bryant Rd.
5. And That the associated interest be cancelled in proportion to the tax adjustments;
6. And That staff be authorized to and directed to do all things necessary to give effect to this resolution.

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 \$207,268 in taxation, of which the City of Markham's share is \$52,563.

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 and the Ministry of Infrastructure and six properties that have undergone an unsuccessful tax sale.

OPTIONS/ DISCUSSION:

Staff has determined that property taxes billed on thirty-six properties are uncollectible and should be written off (Appendix A). The amount of taxes recommended to be written off total \$207,268. Of this total, the City’s share is \$52,563. The balance of \$154,705 will be charged back to the Region of York and the Province accordingly.

The following provides a summary and breakdown of the types of properties included in the consolidated thirty-six property listing, which includes the associated breakdown in property count and associated tax amounts. In addition, an illustrative map of each property is included in Appendix B.

Properties for Tax Write-Off by Description

Property Description	Property Count	Tax Amount for Write-Off
Payment in Lieu (Public Works & MOE)	30	\$109,347
Unsuccessful Tax Sale Properties	6	\$97,920
Totals	36	\$207,268

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

The write-off amounts represent adjustments resulting from properties that are owned by the Ministry of the Environment and Public Works Canada, which are Crown corporations and are 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 which includes ownership and associated recommended write-off amounts have been provided below.

Properties 1 - 29

Number of Properties - 29

Property Owner – Public Works Canada

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

Overdue tax levies: \$103,348

These twenty-nine properties are owned by Public Works Canada, whose annual 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 annual 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 \$441,021, of which Public Works Canada remitted payment for \$337,673 leaving a remaining amount of \$103,348. The City does not have the authority to require the Crown to make payment on the amounts billed, and must therefore write-off any remaining amounts annually. It is therefore recommended that the remaining taxes totaling \$103,348 be written off.

Property 30

Number of Properties – 1

Property Owner – Ministry of Infrastructure

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

Overdue tax levies - \$5,999

This parcel of land is situated along the intersection of Highway 407 and Birchmount Road. The Ministry of Infrastructure was billed a total of \$76,756 in property taxes since 2013, of which \$70,756 were received. The City does not have the authority to require the Crown to make payment on the amounts billed, and must therefore write-off any remaining amounts annually. It is therefore recommended that the remaining taxes totaling \$5,999 be written off.

Property 31

Number of Properties – 1

Property Owner – Great Owl Developments Inc

Property Location – 0 Barclay Court

Reason for Write-off – Unsuccessful Tax Sale

Overdue tax levies - \$33,039

This property is a triangular shaped block of residual land from the plan M1813. The land abuts the Bayview Golf and Country Club. This property was authorized to proceed to Tax Sale, however, it did not receive any tender submissions; therefore the tender opening did not proceed and the tax sale was unsuccessful for this property. It is recommended that the City annually write-off all outstanding taxes.

The next steps for this property have been included in the separate in-camera "Properties for Tax Sale – Update" October 31st, 2016 report to Council.

Property 32

Number of Properties – 1

Property Owner – Eaglebrook Corporation

Property Location – 0 Bryant Rd E/S

Reason for Write-off – Unsuccessful Tax Sale

Overdue tax levies - \$14,352

This is a small parcel of land that abuts the residential property on 1 Bryant Road. It is located north east of Bryant Road and Larkin Avenue. This property was authorized to proceed to Tax Sale, however, it did not receive any tender submissions; therefore the tender opening did not

proceed and the tax sale was unsuccessful for this property. It is recommended that the City annually write-off all outstanding taxes.

The next steps for this property have been included in the separate in-camera “Properties for Tax Sale – Update” October 31st, 2016 report to Council.

Property 33

Number of Properties – 1

Property Owner – 910904 Ontario Inc

Property Location – 4158 Highway 7

Reason for Write-off – Unsuccessful Tax Sale

Overdue tax levies - \$37,902

This property is a triangular shaped landlocked parcel residual from the plan RS65R5095. The property has a roadway through it (Ferrah Street) and abuts the residential property at 5 Ferrah Street. This property was authorized to proceed to Tax Sale, however, it did not receive any tender submissions; therefore the tender opening did not proceed and the tax sale was unsuccessful for this property. It is recommended that the City write-off all outstanding taxes.

The next steps for this property have been included in the separate in-camera “Properties for Tax Sale – Update” October 31st, 2016 report to Council.

Property 34

Number of Properties – 1

Property Owner – 713134 Ontario Limited

Property Location – 0 Wetherby Cir Rear

Reason for Write-off – Unsuccessful Tax Sale

Overdue tax levies - \$4,040

This Wetherby property is a narrow rectangular shaped land parcel residual from the plan M2886. The property abuts the CN railway line and a parcel of land owned by the City of Markham. This property was authorized to proceed to Tax Sale, however, it did not receive any tender submissions; therefore the tender opening did not proceed and the tax sale was unsuccessful for this property. It is recommended that the City write-off all outstanding taxes.

The next steps for this property have been included in the separate in-camera “Properties for Tax Sale – Update” October 31st, 2016 report to Council.

Property 35

Number of Properties – 1

Property Owner – 713134 Ontario Limited

Property Location – 0 Rockingham Crt Rear

Reason for Write-off – Unsuccessful Tax Sale

Overdue tax levies - \$4,786

This Rockingham property is a narrow land parcel residual from the plan M2886. The property abuts the CN railway line and a parcel of land owned by the City of Markham. Engineering staff have indicated that the parcel has a water main running underneath it. This property was authorized to proceed to Tax Sale, however, it did not receive any tender submissions; therefore the tender opening did not proceed and the tax sale was unsuccessful for this property. It is recommended that the City write-off all outstanding taxes.

The next steps for this property have been included in the separate in-camera “Properties for Tax Sale – Update” October 31st, 2016 report to Council.

Property 36

Number of Properties – 1

Property Owner – 1577327 Ontario Inc

Property Location – 0 Ralph Chalmers Rear

Reason for Write-off – Unsuccessful Tax Sale

Overdue tax levies - \$3,802

This Ralph Chalmers property is a small triangular shaped part lot residual from the plan M3789. The property constitutes half of the abutting residential homeowner’s backyard, and the land has since been appropriated by the abutting residential property owner. This property was authorized to proceed to Tax Sale, however, it did not receive any tender submissions; therefore the tender opening did not proceed and the tax sale was unsuccessful for this property. It is recommended that the City write-off all outstanding taxes.

The next steps for this property have been included in the separate in-camera “Properties for Tax Sale – Update” October 31st, 2016 report to Council.

The figures below illustrate the categories and levying bodies that comprise the write-off amounts:

Figure 1 – Write-Off by Levying Body

Levying Body Share	Tax Amount
City Share	\$52,563
Region	\$104,546
Province	\$50,159
Total Tax	\$207,268

Figure 2 – Write-Off by Category

Category	Tax Amount
Crown Properties	\$109,347
Unsuccessful Tax Sale	\$97,920
Total Tax	\$207,268

FINANCIAL CONSIDERATIONS:

The amounts of taxes that require removal from the Tax Collector's roll total \$207,268. Of this total, the City's share is \$52,563. The Region of York and Province's share of \$154,705 will be recovered from them accordingly. The 2016 property tax adjustment budget is \$30,000 and will be impacted by \$52,563 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:

10/25/2016

X 

Joel Lustig
Treasurer

25/10/2016

X 

Trinela Cane
Commissioner, Corporate Services

ATTACHMENTS:

Appendix A – Summary of Tax Write-offs

Appendix B - Map Of Individual Properties

Appendix A: Summary of Tax Write-offs

Property	Ward	Roll Number	Property Location	Owner	No. Of Years Outstanding	Total Taxes	Reason
1	3	1936-030-242-53000-0000	NINTH LINE W/S	Public Works Canada	1	\$1,494	Crown Property
2	5	1936-030-242-54000-0000	NINTH LINE W/S	Public Works Canada	1	\$847	Crown Property
3	5	1936-030-242-54100-0000	NINTH LINE W/S	Public Works Canada	1	\$4,174	Crown Property
4	5	1936-030-242-70000-0000	11306 NINTH LINE	Public Works Canada	1	\$1,181	Crown Property
5	5	1936-030-243-10000-0000	6445 19TH AVE	Public Works Canada	1	\$4,943	Crown Property
6	5	1936-030-261-81400-0000	9992 YORKDURHAM LINE	Public Works Canada	1	\$3,452	Crown Property
7	5	1936-030-261-85500-0000	7255 MAJOR MACKENZIE	Public Works Canada	1	\$15,775	Crown Property
8	5	1936-030-262-24800-0000	MAJOR MACKENZIE N/S	Public Works Canada	1	\$2,490	Crown Property
9	5	1936-030-262-27600-0000	7192 MAJOR MACKENZIE	Public Works Canada	1	\$858	Crown Property
10	5	1936-030-262-35400-0000	7630 MAJOR MACKENZIE	Public Works Canada	1	\$6,906	Crown Property
11	5	1936-030-262-67700-0000	10389 NINTH LINE	Public Works Canada	1	\$8,848	Crown Property
12	5	1936-030-263-34500-0000	REESOR RD W/S	Public Works Canada	1	\$1,967	Crown Property
13	5	1936-030-264-81700-0000	7356 ELGIN MILLS RD E	Public Works Canada	1	\$5,682	Crown Property
14	5	1936-030-265-08400-0000	10903 NINTH LINE	Public Works Canada	1	\$2,194	Crown Property
15	5	1936-030-265-21100-0000	11129 NINTH LINE	Public Works Canada	1	\$737	Crown Property
16	5	1936-030-266-08400-0000	11201 REESOR RD	Public Works Canada	1	\$7,167	Crown Property
17	5	1936-030-266-17700-0000	11223 REESOR RD	Public Works Canada	1	\$2,079	Crown Property
18	5	1936-030-266-20700-0000	11315 REESOR RD	Public Works Canada	1	\$2,405	Crown Property
19	5	1936-030-266-34400-0000	11290 YORK DURHAM LINE	Public Works Canada	1	\$2,830	Crown Property
20	5	1936-030-266-35000-0000	YORK DURHAM LINE	Public Works Canada	1	\$852	Crown Property
21	5	1936-030-266-38400-0000	11410 YORK DURHAM LINE	Public Works Canada	1	\$3,218	Crown Property
22	5	1936-030-266-54500-0000	19TH AVE	Public Works Canada	1	\$2,828	Crown Property
23	5	1936-030-266-58000-0000	19TH AVE	Public Works Canada	1	\$5,008	Crown Property
24	5	1936-030-266-64500-0000	19TH AVE	Public Works Canada	1	\$2,130	Crown Property
25	5	1936-030-266-65000-0000	19TH AVE	Public Works Canada	1	\$2,130	Crown Property
26	5	1936-030-263-68300-0000	0 REESOR RD	Public Works Canada	1	\$9	Crown Property

Property	Ward	Roll Number	Property Location	Owner	No. Of Years Outstanding	Total Taxes	Reason
27	5	1936-030-264-67700-0000	0 ELGIN MILLS RD E	Public Works Canada	1	\$1,789	Crown Property
28	5	1936-030-264-96300-0000	7840 ELGIN MILLS RD E	Public Works Canada	1	\$5,876	Crown Property
29	5	1936-030-263-55000-0000	10377 REESOR RD	Public Works Canada	1	\$3,480	Crown Property
30	8	1936-020-126-90507-0000	7900 BIRCHMOUNT RD	Ministry of Infrastructure	3	\$5,999	Crown Property
31	2	1936-020-170-09900-0000	0 BARCLAY WAY	Great Owl Developments Inc	19	\$33,039	Unsuccessful Tax Sale
32	5	1936-030-230-54721-0000	0 BRYANT RD E/S	Eaglebrook Corporation	12	\$14,352	Unsuccessful Tax Sale
33	3	1936-020-140-38600-0000	4158 HIGHWAY 7	910904 Ontario Inc	18	\$37,902	Unsuccessful Tax Sale
34	2	1936-020-110-47048-0000	0 WETHERBY CIR REAR	713134 Ontario Limited	8	\$4,040	Unsuccessful Tax Sale
35	2	1936-020-110-47218-0000	0 ROCKINGHAM CRT REAR	713134 Ontario Limited	8	\$4,786	Unsuccessful Tax Sale
36	4	1936-030-234-32226-0000	0 RALPH CHALMERS REAR	1577327 Ontario Inc	7	3,802	Unsuccessful Tax Sale
				Total		\$207,268	

Appendix B – Map Of Individual Properties

Property 1) NINTH LINE W/S - 1936-030-242-53000-0000



Property 2) NINTH LINE W/S - 1936-030-242-54000-0000



Property 3) NINTH LINE W/S - 1936-030-242-54100-0000



Property 4) 11306 NINTH LINE - 1936-030-242-70000-0000



Property 5) 6445 19TH AVE - 1936-030-243-10000-0000



Property 6) 9992 YORKDURHAM LINE - 1936-030-261-81400-0000



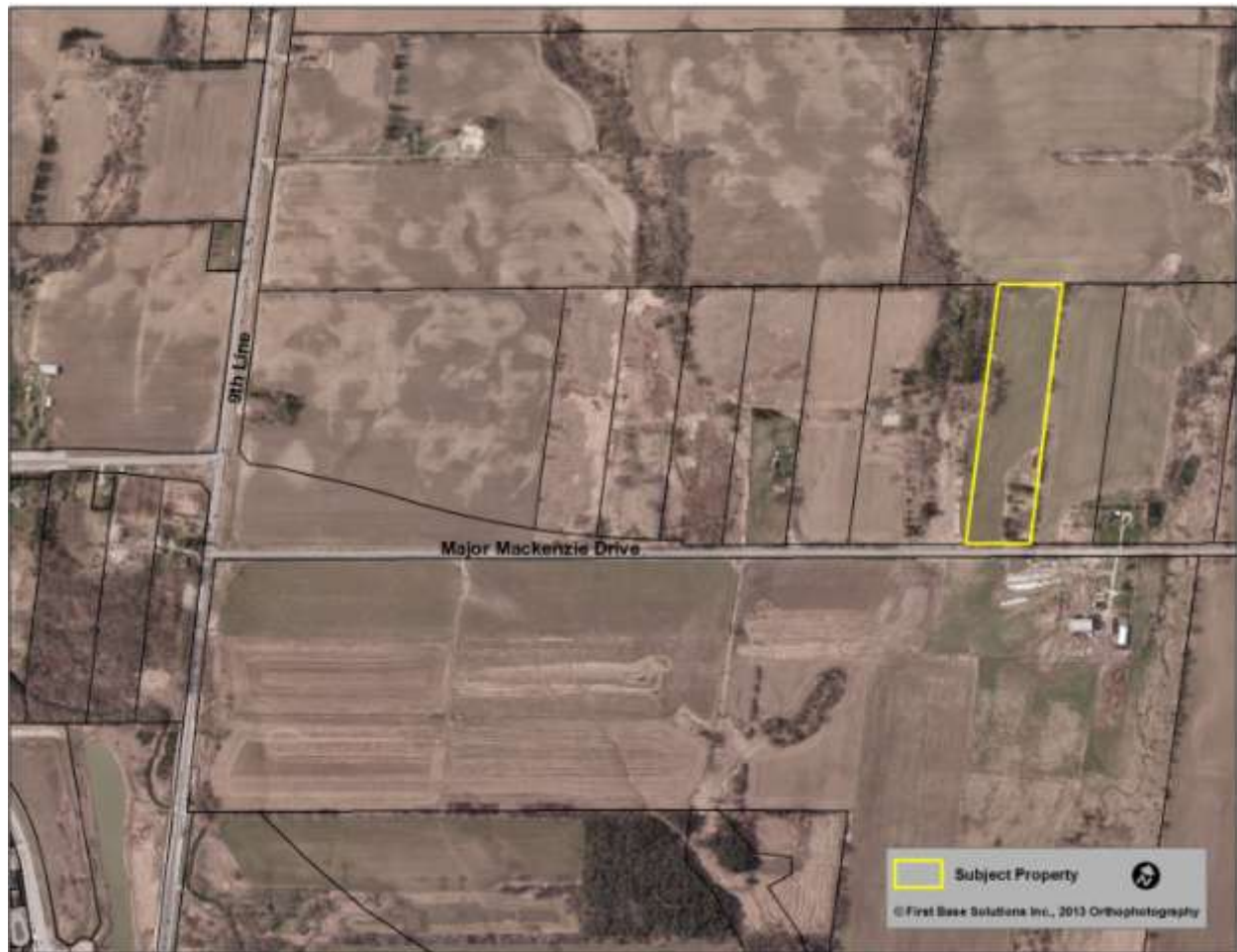
Property 7) 7255 MAJOR MACKENZIE - 1936-030-261-85500-0000



Property 8) MAJOR MACKENZIE N/S - 1936-030-262-24800-0000



Property 9) 7192 MAJOR MACKENZIE - 1936-030-262-27600-0000



Property 10) 7630 MAJOR MACKENZIE - 1936-030-262-35400-0000



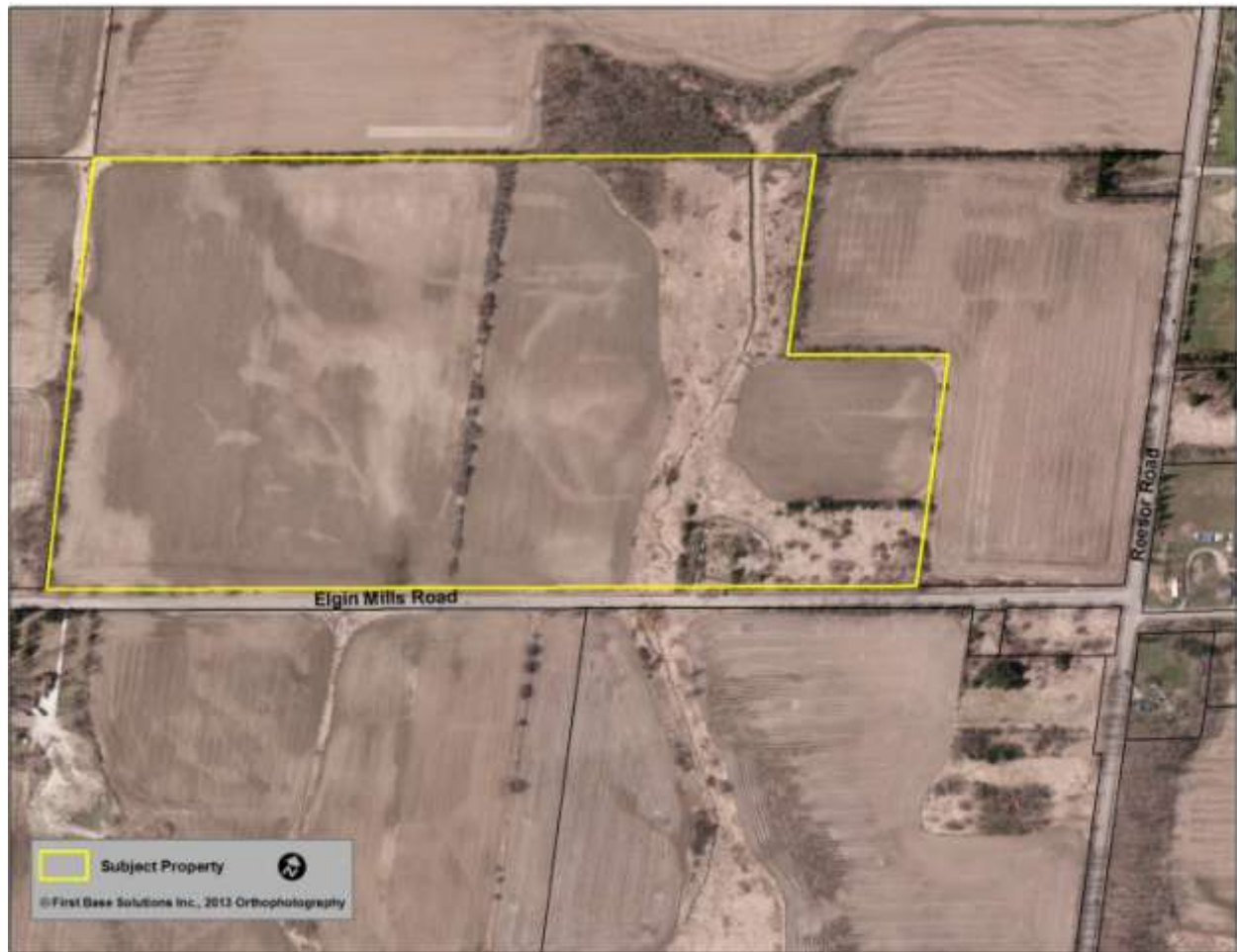
Property 11) 10389 NINTH LINE - 1936-030-262-67700-0000



Property 12) REESOR RD W/S - 1936-030-263-34500-0000



Property 13) 7356 ELGIN MILLS RD E - 1936-030-264-81700-0000



Property 14) 10903 NINTH LINE - 1936-030-265-08400-0000



Property 15) 11129 NINTH LINE - 1936-030-265-21100-0000



Property 16) 11201 REESOR RD - 1936-030-266-08400-0000



Property 17) 11223 REESOR RD - 1936-030-266-17700-0000



Property 18) 11315 REESOR RD - 1936-030-266-20700-0000



Property 19) 11290 YORK DURHAM LINE - 1936-030-266-34400-0000



Property 20) YORK DURHAM LINE - 1936-030-266-35000-0000



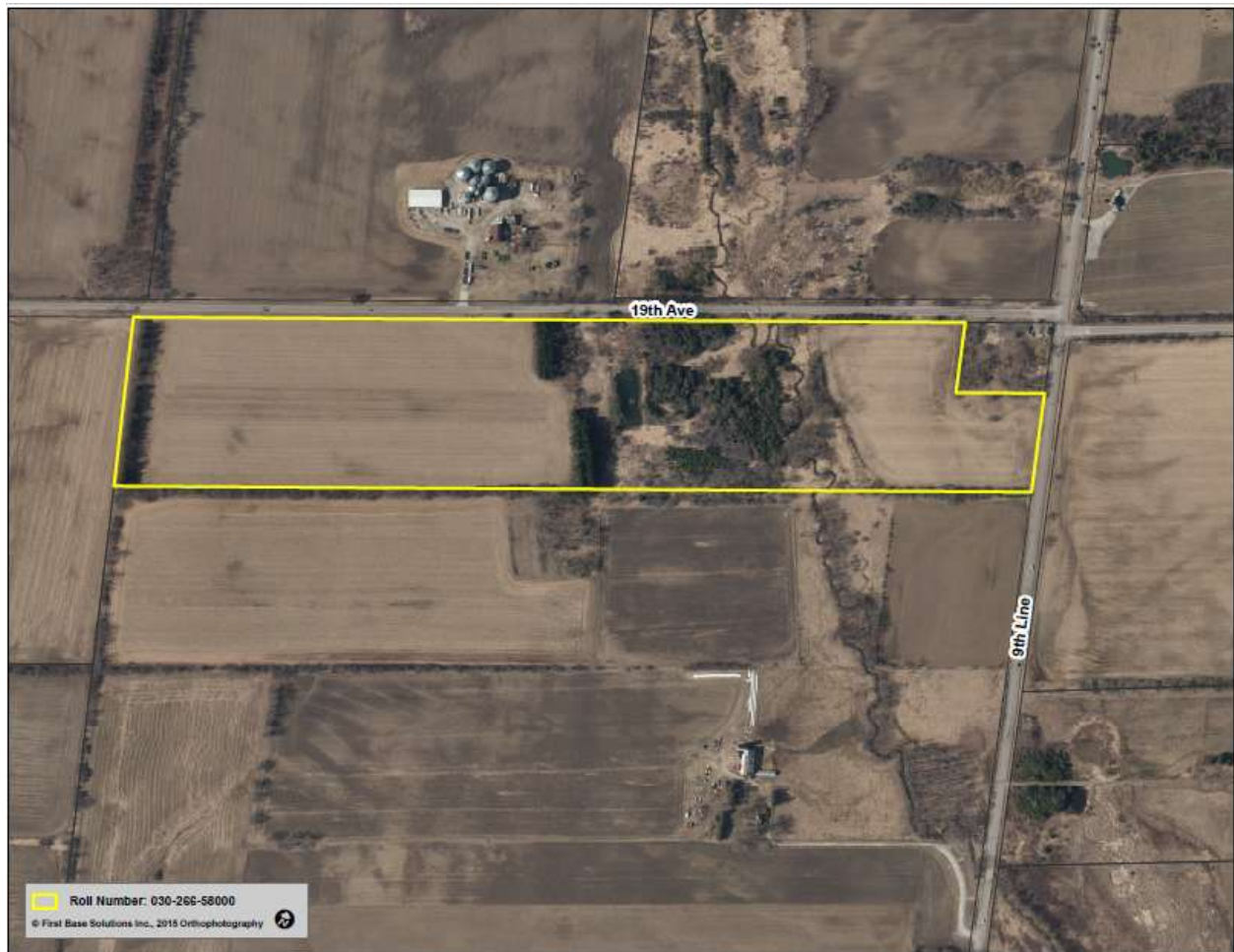
Property 21) 11410 YORK DURHAM LINE - 1936-030-266-38400-0000



Property 22) 19TH AVE - 1936-030-266-54500-0000



Property 23) 19TH AVE – 1936-030-266-58000-0000



Property 24) 19TH AVE – 1936-030-266-64500-0000



Property 25) 19TH AVE – 1936-030-266-65000-0000



Property 26) 0 REESOR RD - 1936-030-263-68300-0000



Property 27) 0 ELGIN MILLS RD E - 1936-030-264-67700-0000



Property 28) 7840 ELGIN MILLS RD E - 1936-030-264-96300-0000



Property 29) 10377 REESOR RD - 1936-030-263-55000-0000



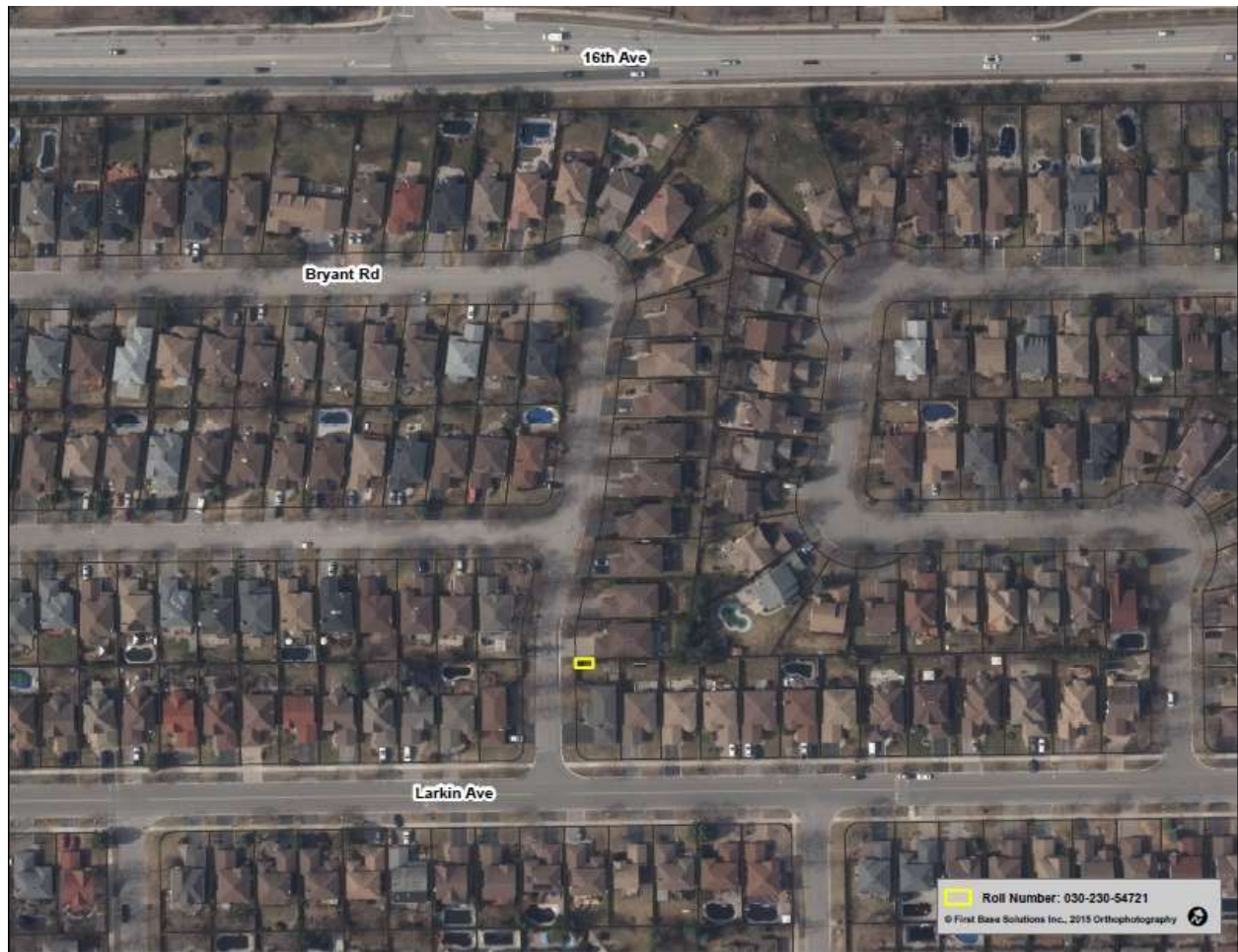
Property 30) 7900 BIRCHMOUNT RD - 1936-020-126-90507-0000



Property 31) 0 BARCLAY WAY - 1936-020-170-09900-0000



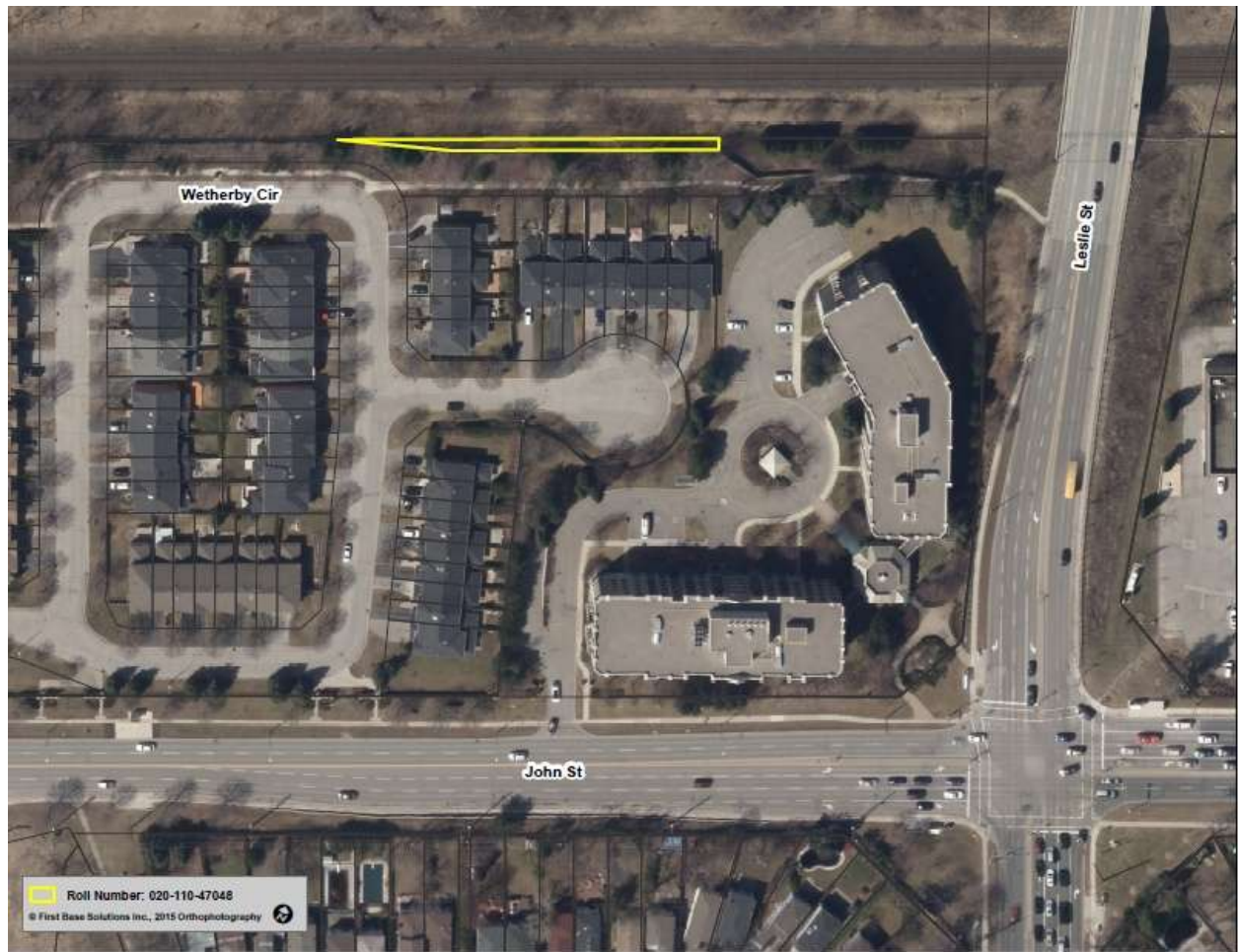
Property 32) 0 BRYANT RD E/S - 1936-030-230-54721-0000



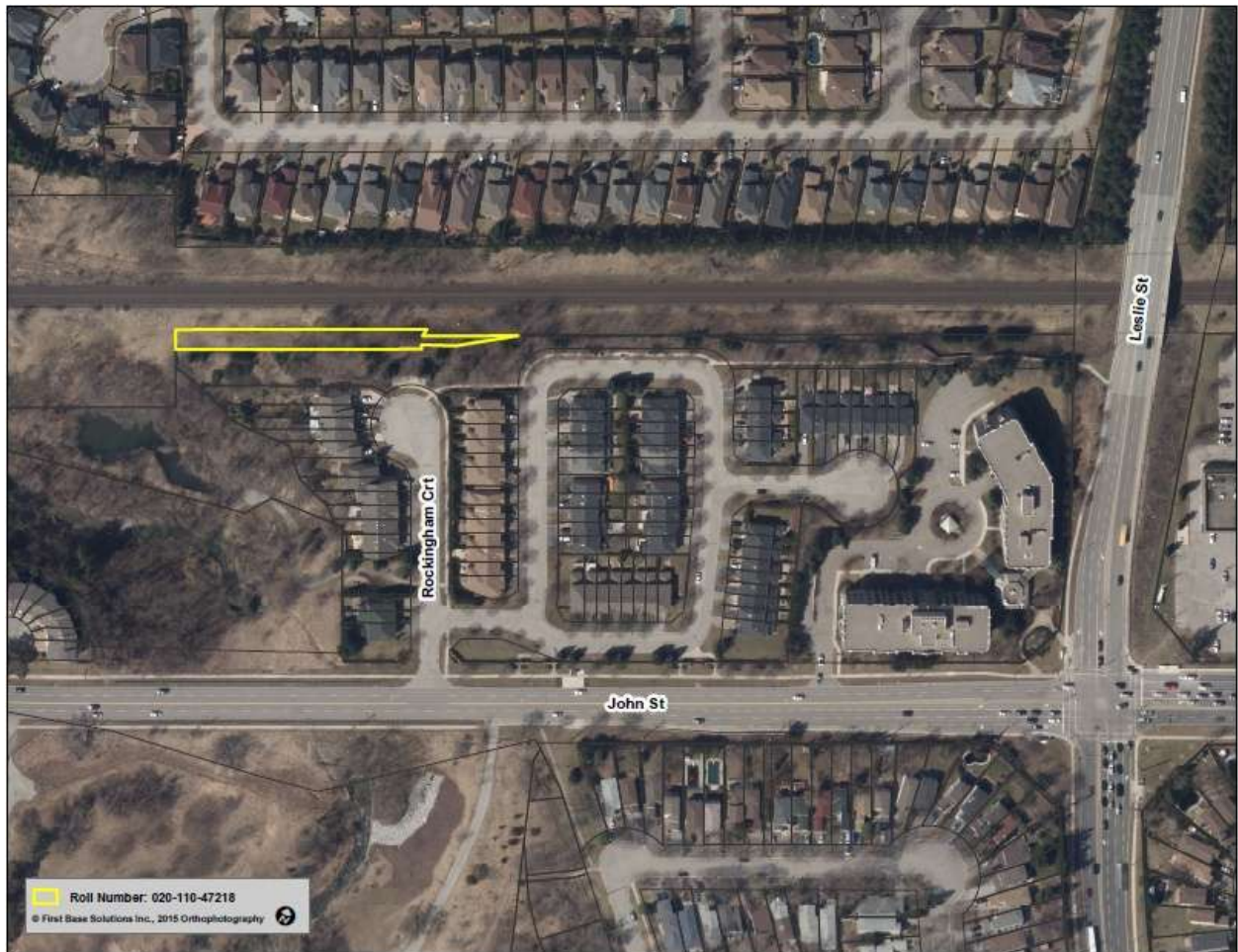
Property 33) 4158 HIGHWAY 7 - 1936-020-140-38600-0000



Property 34) 0 WETHERBY CIR REAR - 1936-020-110-47048-0000



Property 35) 0 ROCKINGHAM CRT REAR - 1936-020-110-47218-0000



Property 36) 0 RALPH CHALMERS REAR - 1936-030-234-32226-0000

