



Report to: General Committee

Report Date: April 27, 2015

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 \$107,123 as set out in this report, of which the City's portion is \$27,410 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 Treasurer be directed to authorized to write-off the municipal tax portion account 820-820-7040;
4. **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 \$107,123 in taxation, of which the City of Markham's share is \$27,410.

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 which are under the Ministry of the Environment and Public Works Canada.

OPTIONS/ DISCUSSION:

Staff has determined that tax levies billed on twenty-nine properties are uncollectible and should be written off (Appendix A). The recommendations for tax write-off are from accounts that have are being recommended for write-off due to being classified and treated as a payment-in-lieu of taxation property.

The amount of taxes recommended to be written off total \$107,123. Of this total, the City's share is \$27,410. The balance of \$79,713 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 twenty-nine 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	Payment Received as a % of Taxes Billed	Tax Amount for Write-Off
Payment in Lieu (MOE)	1	0.00%	\$1,549
Payment in Lieu (Public Works)	28	29.22%	\$105,574
Totals	29	28.92%	\$107,123

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. City Finance staff has made every effort to recoup the residual taxation billed; however, the municipality does not have the authority to require the Crown to make payment on the taxes billed. It is therefore recommended that the remaining taxes totaling \$107,123 (excluding penalty) be written off.

A summary of the properties which includes ownership and associated recommended write-off amounts have been provided below.

Property 1

Ministry of Environment and Energy(MOE)

Number of Properties - 1

Classification – Residential Payment in Lieu of Tax

Overdue tax levies: \$1,549

This property is a small landlocked parcel of land, which is located on the west side of Kennedy Ave. north of Highway Seven and is not within the boundaries of the Rouge Park. It is situated between two parcels of land owned by the City of Markham. The Ministry of Environment (MOE) transferred the abutting lands to the City in 1984, retaining a small parcel in their ownership. This property is eligible to make payment to the municipality in lieu of taxes billed; however, the amount to be paid is at the will of the Ministry and they have opted to not pay any of the amounts billed by the City of Markham. City finance staff annually issues an invoice to

MOE in the amount of the full taxes billed; however, the municipality does not have the authority to require the Crown to make payment on the taxes billed. It is therefore recommended that the taxes totaling \$1,549 be written off. City staff have been communicating with representatives from the Ministry of Environment (MOE), and have been informed that the Ministry will be contacting representatives from the Region of York and the City to review the future legal land rights to this parcel. Once a collaborative review of the plans has been completed, and legal land rights have been established, the parcel of land will be transferred from the MOE to either the Region or the City.

Properties 2 - 29

Public Works Canada

Number of Properties - 28

Classification – Residential Payment in Lieu of Taxes

Overdue tax levies: \$105,574

These twenty-eight properties are owned by Public Works Canada, whose payment in lieu of taxation was made based on an independent interpretation of assessment value and classification.. The amounts paid annually on these properties have not represented the full amount billed. The total amount billed for all properties was \$149,162, of which Public Works Canada remitted payment for \$43,588, leaving a remaining amount of \$105,574. City Finance staff annually issue invoices to Public Works Canada in the amount of the full taxes; however, the municipality does not have the authority to require the Crown to make payment on the taxes billed. It is therefore recommended that the remaining taxes totaling \$105,574 be written off. Twenty-seven of these properties are currently within the boundaries of the Rouge Park, as identified in Appendix A of this report

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

Write-Off by Levying Body

Levying Body	Tax Amount
City Share	\$27,410
Region	\$53,938
Province	\$25,775
Total Tax	\$107,123

FINANCIAL CONSIDERATIONS:

The amounts of taxes that require removal from the Tax Collector's roll total \$107,123. Of this total, the City's share is \$27,410. The Region of York and Province's share of \$79,713 will be recovered from them accordingly.

HUMAN RESOURCES CONSIDERATIONS:

Not applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

Not applicable.

BUSINESS UNITS CONSULTED AND AFFECTED:

None.

RECOMMENDED BY:

16/04/2015

X



Joel Lustig
Treasurer

17/04/2015

X



Trinela Cane
Commissioner, Corporate Services

ATTACHMENTS:

Appendix A – Summary of Tax Write-offs

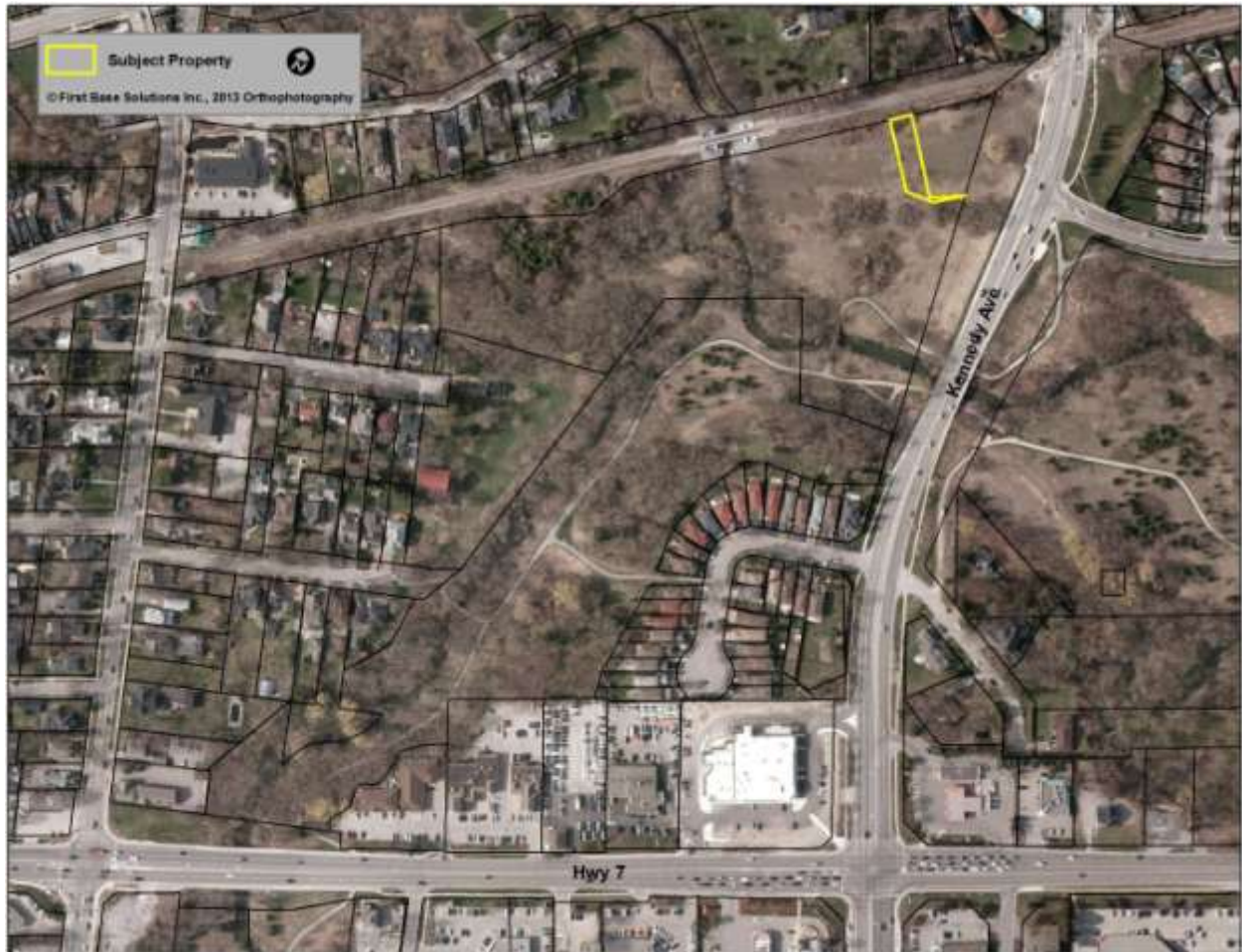
Appendix B - Map Of Individual Properties

Appendix A: Summary of Tax Write-offs

Property	Ward	Roll Number	Property Location	No. Of Years	Taxes (Excluding P&I)	Reason	Rouge Park	Appendix Page
1	3	193603022398700	End of Victoria	1	\$1,549	Crown Property	Non-Rouge	6
2	5	193603024253000	Ninth Line W/S	1	\$1,465	Crown Property	Yes	7
3	5	193603024254000	Ninth Line W/S	1	\$829	Crown Property	Yes	8
4	5	193603024254100	Ninth Line W/S	1	\$4,031	Crown Property	Non-Rouge	9
5	5	193603024270000	11306 Ninth Line	1	\$1,185	Crown Property	Yes	10
6	5	193603024310000	6445 19th Ave	1	\$4,936	Crown Property	Yes	11
7	5	193603026165000	9556 York-Durham Line	1	\$107	Crown Property	Yes	12
8	5	193603026181400	9992 York-Durham Line	1	\$3,453	Crown Property	Yes	13
9	5	193603026185500	7255 Major Mackenzie	1	\$15,730	Crown Property	Yes	14
10	5	193603026224800	Major Mackenzie N/S	1	\$2,569	Crown Property	Yes	15
11	5	193603026227600	7192 Major Mackenzie	1	\$829	Crown Property	Yes	16
12	5	193603026235400	7630 Major Mackenzie	1	\$6,682	Crown Property	Yes	17
13	5	193603026267700	10389 Ninth Line	1	\$8,730	Crown Property	Yes	18
14	5	193603026326000	10506 Reesor Rd	1	\$2,195	Crown Property	Yes	19
15	5	193603026334500	Reesor Rd W/S	1	\$1,983	Crown Property	Yes	20
16	5	193603026355000	10377 Reesor Rd	1	\$3,402	Crown Property	Yes	21
17	5	193603026467700	Elgin Mills Rd E	1	\$1,727	Crown Property	Yes	22
18	5	193603026481700	7356 Elgin Mills Rd E	1	\$5,507	Crown Property	Yes	23
19	5	193603026496300	7840 Elgin Mills Rd E	1	\$5,643	Crown Property	Yes	24
20	5	193603026508400	10903 Ninth Line	1	\$2,130	Crown Property	Yes	25
21	5	193603026521100	11129 Ninth Line	1	\$7,374	Crown Property	Yes	26
22	5	193603026608400	11201 Reesor Rd	1	\$7,134	Crown Property	Yes	27
23	5	193603026617700	11223 Reesor Rd	1	\$2,030	Crown Property	Yes	28
24	5	193603026620700	11315 Reesor Rd	1	\$2,326	Crown Property	Yes	29
25	5	193603026634400	11290 York-Durham Line	1	\$2,734	Crown Property	Yes	30
26	5	193603026635000	York-Durham Line	1	\$823	Crown Property	Yes	31
27	5	193603026638400	11410 York-Durham Line	1	\$3,172	Crown Property	Yes	32
28	5	193603026664500	19th Ave	1	\$4,789	Crown Property	Yes	33
29	5	193603026665000	19th Ave	1	\$2,058	Crown Property	Yes	34
			Total		\$107,123			

Appendix B – Map Of Individual Properties

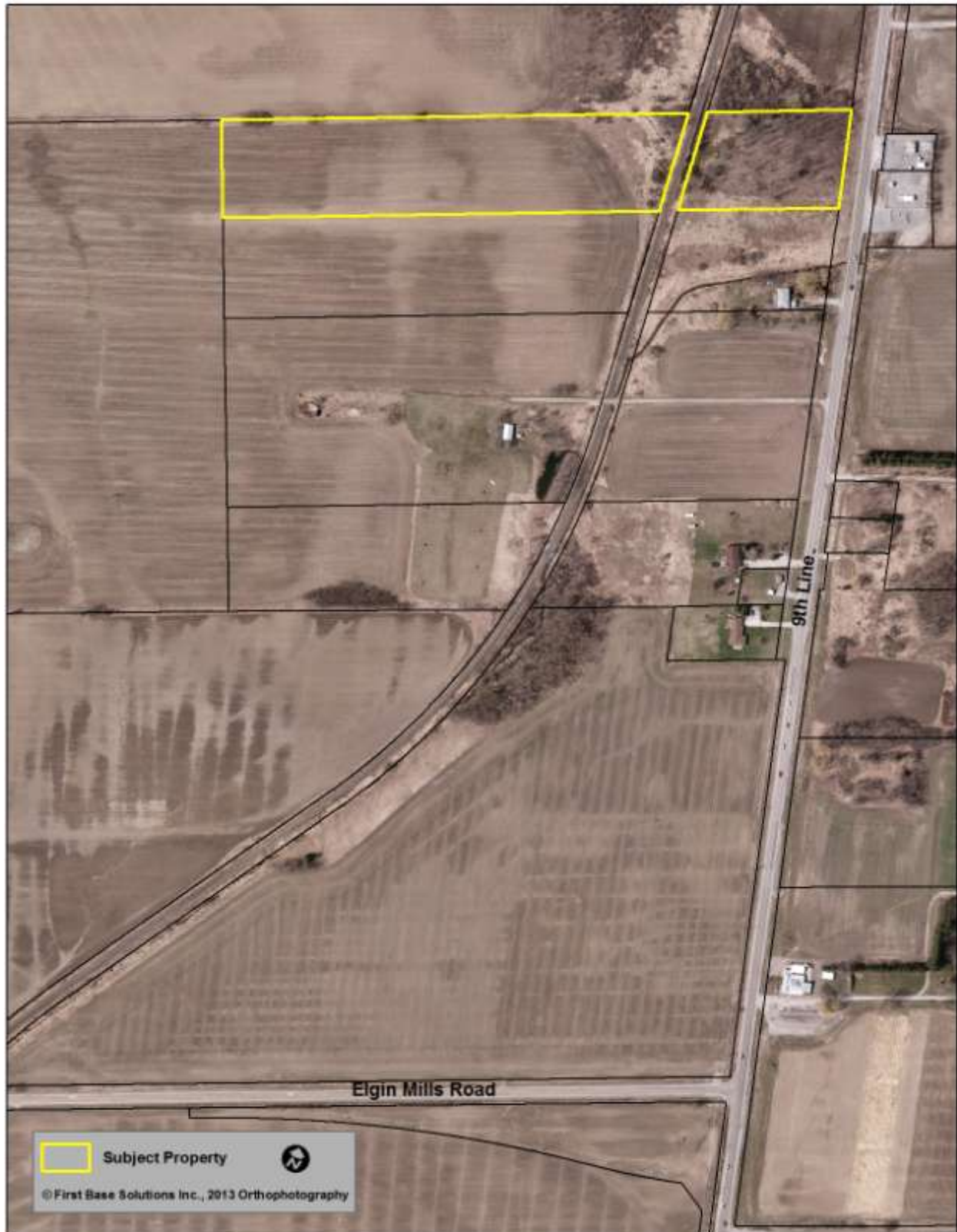
0 End of Victoria – Ward 3



Ninth Line – Ward 5



Ninth Line – Ward 5



Ninth Line – Ward 5



11306 Ninth Line – Ward 2



6445 19th Avenue – Ward 2



9556 York-Durham Line – Ward 5



9992 York-Durham Line – Ward 5



7255 Major Mackenzie – Ward 4



Major Mackenzie – Ward 5



7192 Major Mackenzie – Ward 5



7630 Major Mackenzie Drive – Ward 5



10389 Ninth Line – Ward 5



10506 Reesor Rd. – Ward 5



Reesor Rd. – Ward 5



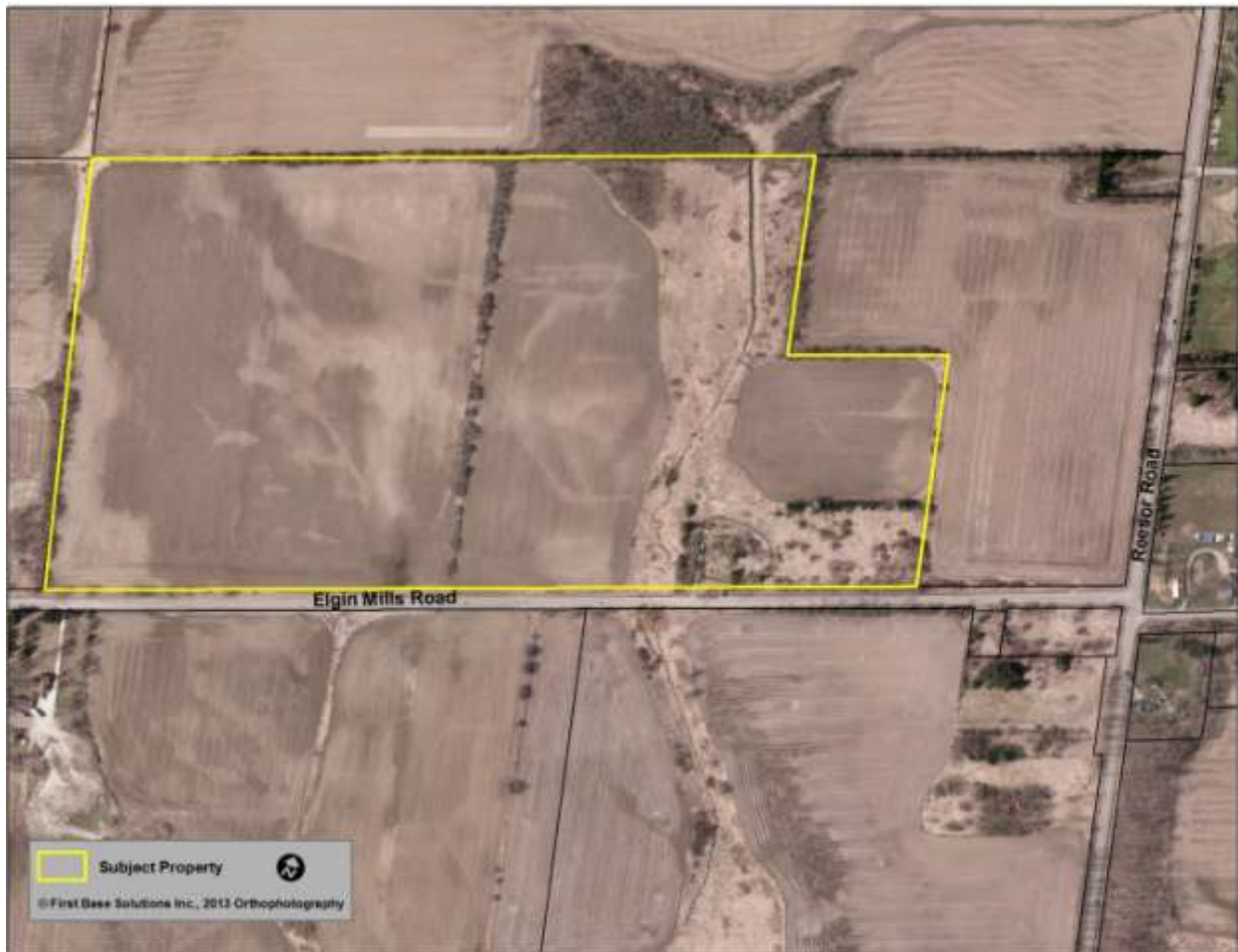
10377 Reesor Rd. – Ward 5



Elgin Mills Rd. – Ward 5



7356 Elgin Mills Rd. – Ward 5



7840 Elgin Mills Rd. – Ward 5



10903 Ninth Line – Ward 5



11129 Ninth Line – Ward 5



11201 Reesor Rd. – Ward 5



11223 Reesor Rd. – Ward 5



11315 Reesor Rd. – Ward 5



11290 York-Durham Line – Ward 5



York-Durham Line – Ward 5



11410 York-Durham Line – Ward 5



19th Ave. – Ward 5



19th Ave. – Ward 5

