

Report to: MSC Meeting  
Meeting Date: May 27, 2024  
**Report Title: Request To Write Off Tax Arrears  
under Section 354 of the Municipal Act**

Department: Treasury  
Author's Name: Sarah Dicaire  
Position: Tax Administrator  
File/Report #FIN-2024-15



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**RECOMMENDATION:**

Be it resolved that the Municipal Services Committee (MSC) recommends that Council authorizes the Treasurer to write off all taxes, penalty and charges on the property identified as ARN 0831 836 051 03700 0000 in the amount of \$71,211.03 as follows:

- 1) \$41,296.27 Municipal share to be taken from the uncollectable tax allowance account.
- 2) \$12,142.72 County share will be charged back accordingly through the annual Levy payment.
- 3) \$17,772.04 Education share will be charged back accordingly through the annual Levy payment.

This recommendation is in accordance with Section 354 of the Municipal Act, as presented in MSC report FIN-2024-15.

**BACKGROUND:**

Provisions included with Section 354 of the *Municipal Act, 2001* provide the Treasurer the authority to recommend to Council that uncollectable 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.

**DISCUSSION:**

The Ministry of Infrastructure has formally requested cancelling the encumbrance on ARN 0831 836 051 03700 000 under section 19, *Forfeited Corporate Property Act, 2015*. ARN 0831 836 051 03700 0000 was forfeited to the Crown on November 30, 1992 pursuant to s.241 of the *Business Corporations Act*. The Municipality has deemed these taxes uncollectable.

In addition, the Ministry of Environment, Conservation and Parks has already incurred significant remediation costs on the site, including the removal of underground storage tanks.

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The Ministry of Transportation is acquiring the property for a public infrastructure project that consists of a roundabout being built to enhance road safety for the travelling public.

Section 354 of the *Municipal Act, 2001* includes conditions, exceptions, and regulations for the Write-off of taxes. As per Section 345(4)(a):

(4) Despite subsection (3), the local municipality may **write off taxes** under clause (2) (a) without conducting a tax sale under Part XI,

(a) if the property is owned by Canada, a province or territory or a Crown agency of any of them or by a municipality;

In addition, under Section 1 of the Forfeited Corporate Property Act, 2015:

(7) For greater certainty, forfeited corporate property, other than personal property referred to in paragraph 2 of subsection (6), is vested in the Crown, even if the prior corporate owner is still shown as the registered owner of the property.

**FINANCIAL IMPLICATIONS:**

Amounts recommended for tax write-offs total \$71,211.03 as referenced in Table A: “Summary of Section 354 Tax Write Offs”. This amount represents an overall tax reduction to the property.

The Municipal share will be taken from the uncollectable tax allowance account. This account has more than enough to offset the write off with a current balance of \$634,613.33.

The County and Education shares will be charged back accordingly through the annual Levy payment.

**Table A:**

<b>Summary of Proposed Section 354 Tax Write Offs</b>				
<b>Assessment Roll Number</b>	<b>Township of Rideau Lakes</b>	<b>United Counties Leeds &amp; Grenville</b>	<b>Boards of Education</b>	<b>Total (\$)</b>
<b>0831 836 051 03700</b>	<b>\$41,296.27</b>	<b>\$12,142.72</b>	<b>\$17,772.04</b>	<b>\$71,211.03</b>

**APPLICABLE POLICY/LEGISLATION:**

Section 354 of the *Municipal Act, 2001*  
 Section 1 of the *Forfeited Corporate Property Act, 2015*

e-signed

May 22, 2024

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Sarah Dicaire  
Tax Administrator

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Date

e-signed

May 22, 2024

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Dave Schur  
Acting-Treasurer

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Date

e-signed

May 22, 2024

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Shellee Fournier  
CAO

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Date