



COMMUNIQUÉ DE PRESSE

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CHELSEA WELCOMES THE RECOMMENDATIONS OF THE ADVISORY PANEL REGARDING THE NON-PAYMENT OF TAXES BY THE NCC

Chelsea, 23 February 2021 – The Municipality of Chelsea is pleased to learn today that the Payments in Lieu of Taxes Dispute Advisory Panel (PILT DAP) has filed its opinion with the National Capital Commission (NCC). This unanimous opinion is clear: it recommends that the NCC establish payments in lieu of taxes to the Municipality of Chelsea based on a value established at 96% of the amount of the expert evaluation of the MRC des Collines-de-l'Outaouais. This represents more than \$589,427 plus applicable interest which is owed to Chelsea.

The Municipality of Chelsea requested that certain lands be categorized as non-residential for the years 2019 and 2020 to recognize the value of existing facilities such as parking lots, trails. This request was not accepted only because it could not be made while the current assessment roll was in effect. However, this change has now been reflected in the new 2021-2022-2023 assessment roll.

The Municipality of Chelsea and the NCC participated in a week-long hearing before the PILT DAP in November 2020. This opinion is therefore the conclusion of this process. In 2019 the NCC had promised to accept the PILT DAP's recommendation.

"Now there is no reason for the NCC to delay their payments. We hope to put this dispute behind us and resume a productive relationship with them," said Chelsea Mayor Caryl Green.

The Municipality is prepared to work with the NCC to find the best way to implement the recommendations but requires their prompt response.

Quick facts

- The dispute has been ongoing since 2018 and concerns the non-payment of \$1.4M in payment in lieu of taxes (PILT) for Gatineau Park. This amount represents \$166 per tax account for an average residence, not including legal fees.
- According to Chelsea, the very scheme of the PILT, as interpreted by the Supreme Court of Canada, is to allow federal property to be considered as if it were taxable and in the hands of a private owner. The restrictions on use alleged by the NCC in support of its claims are all, without exception, imposed by the mission and mandate of the NCC itself and complementary to the public park character of the Park.



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Therefore, the PILT DAP agrees with Chelsea's conclusion that these restrictions should be set aside in determining the true value.

- Chelsea had argued that only 3% of the Gatineau Park in Chelsea had an integral conservation vocation while in fact recreation and tourism activities were the main vocation.
- Under the Constitution of Canada, the federal government is exempt from paying property taxes at the local level. Instead, the government pays PILT to recognize services received from municipal administrations and to pay its share of municipal costs. Federal agencies rely on provincial or municipal governments to assess property values and on municipalities to set tax rates (which must be applied equitably to all properties, not just to those of the federal government). As a federal entity, the NCC pays PILT annually to the Municipality of Chelsea; on occasion the NCC has challenged the assessment of individual properties but has always paid their PILT.
- In Quebec, property assessment is governed by the Municipal Taxation Act. Under the law, the independence of property assessment is protected, and strict rules are in place to separate the assessment process from any interference.
- In Chelsea's case, the valuation of the property is the responsibility of the MRC des Collines-de-l'Outaouais, whose appraisers follow strict standards of practice and are governed by a code of ethics.

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