



PRESS RELEASE

For immediate release

CHELSEA DISAPPOINTED BY FEDERAL COURT OF APPEAL RULING

Chelsea, May 21st, 2024 – Chelsea Municipal Council is disappointed by the Federal Court of Appeal’s decision to uphold the earlier Federal Court ruling in the Municipality’s dispute with the National Capital Commission (NCC) over unpaid taxes.

“Every Chelsea taxpayer will have to bear the cost of this decision and live with the consequences,” says Chelsea Mayor Pierre Guénard, adding: “We are talking about more than \$900,000 a year that our citizens will, unfortunately, have to pay out of their own pockets. This is completely unacceptable and unfair.”

The dispute began in 2018, when the NCC refused to recognize the valuation of the land it owns in Gatineau Park, within Chelsea, and in turn, refused to pay taxes based on the fair value of that land as established by independent appraisers hired by the MRC des Collines-de-l’Outaouais. For example, for the 2021–2023 assessment roll, the value of the land in dispute established by the MRC was \$144 million, while the NCC recognized a value of \$64 million, or only 44% of that. When the dispute began, the annual shortfall was evaluated at slightly more than \$800,000, but has now risen to over \$900,000 and will continue to increase over time.

Given that Chelsea’s annual budget is approximately \$26 million, this is a considerable sum, and would represent a huge burden for taxpayers. Concretely, it would amount to an annual property tax increase of \$264 for the owner of a home of average value in Chelsea.

Since 2018 The Union des municipalités du Québec, the MRC des Collines-de-l’Outaouais and the Ville de Gatineau had all expressed support for the Municipality of Chelsea in this matter.

With the help of its legal advisors, the Municipal Council is currently assessing the various avenues to be pursued in response to the Federal Court of Appeal’s ruling.

Background:

- The dispute has been ongoing since 2018 and concerns the non-remittal of approximately \$1.4 million in payments in Lieu of taxes (PILT) for land owned by the NCC in Gatineau Park located within Chelsea.
- The NCC does not recognize the valuation of its land in Chelsea and therefore refuses to pay taxes based on the fair value established by independent appraisers hired by the MRC des Collines-de-l’Outaouais and



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the experts of the Payments in Lieu of Taxes Dispute Advisory Panel (PILT-DAP). It is important to note that more than 60% of Chelsea's territory consists of NCC-owned land.

- At the NCC's suggestion, the Municipality turned to the DAP, established by law to resolve PILT disputes. This Advisory Committee is established by law to make recommendations for the resolution of PILT disputes.
- In 2019, the NCC undertook in writing to respect the conclusions of the DAP.
- The panel hearing was held in November 2020 and, at the NCC's request, the DAP was composed of three independent experts.
- In February 2021, the DAP unanimously found in favour of the Municipality of Chelsea, in large part, regarding the value of the land in dispute. It recommended that the NCC establish its PILT to the Municipality of Chelsea based on almost all of the land valuations determined by the experts hired by the MRC des Collines-de-l'Outaouais.
- For the 2021-2023 assessment roll, the value of the land in dispute established by the MRC was \$144 million, while the NCC recognized a value of \$64 million, or only 44% of that.
- The Municipality of Chelsea went to Federal Court in December 2021 to seek enforcement of its rights. The judgment was finally issued in January 2023.
- In February 2023, the Municipality decided to appeal the Federal Court ruling. The judgment was issued in May 2024.

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Source and information

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