



## **PRESS RELEASE**

*For immediate release*

### **NCC unpaid taxes file**

## **A DEFEAT THAT GOES BEYOND CHELSEA'S BORDERS**

**Chelsea, March 6, 2025** – The Municipality of Chelsea is very disappointed with the Supreme Court's decision not to grant its application for leave to appeal. This is a major loss for all Chelsea residents, as the tax burden of this decision has a significant impact on all taxpayers.

“The Supreme Court's decision not to hear our case is a major disappointment for the municipality. Especially since this decision goes beyond Chelsea's borders, as it has an impact on the taxation of all cities and municipalities in Quebec and Canada with federal properties on their territory.

The fiscal impact is very significant for our citizens, not to mention all the other responsibilities we have to assume in connection with the two million visitors a year to Gatineau Park, mainly road maintenance, traffic management and parking.

We went all the way through this process to defend the interests of our citizens and make our case.” - Pierre Guénard, Mayor of Chelsea

The Municipality would like to thank all its partners for their support and solidarity. These include the Union des municipalités du Québec and several cities and MRCs, including the MRC des Collines-de-l'Outaouais and the Ville de Gatineau.

The Municipality has no further comment to make. It will take the time to analyze the judgment.

### **Background :**

- The dispute has been ongoing since 2018 and concerns the non-remittance of approximately \$3.7 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 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.



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- 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.
- In June 2021, Chelsea received a proposal from the NCC that did not respect the conclusions and principles set out by the Advisory Committee.
- In this proposal, the NCC asked the Municipality to accept a monetary lump sum other than in the form of PILT for the years 2018 to 2023 and to agree, for the future, to apply valuation principles contrary to the principles and rules issued by the Advisory Committee and without any commitment on their part to compensate the resulting shortfall in a form other than PILT.
- If Chelsea had accepted the NCC's proposal, it would have lost the equivalent of approximately \$950,000 annually starting in 2024 and for all subsequent years.
- The Municipality of Chelsea went to Federal Court in December 2021 to seek enforcement of its rights. The judgement 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.
- Following the Federal Court of Appeal's decision in May 2024, the Municipality of Chelsea decided to appeal to the Supreme Court of Canada.

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### **Information :**

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