

# **Association of Canadian Port Authorities**

## **Annual Report of the Payments in Lieu of Taxes Task Force – July 2001**

### **PILT Questionnaire**

- A questionnaire on PILTs paid by CPAs was developed, distributed and the results were compiled to develop a profile of member ports with respect to real property taxation.
- A draft of legal questions pertaining to rights, entitlement and obligations under the Canada Marine Act were also compiled and presented to the ACPA Board last February.
- Subsequent to that meeting the questions were forwarded to Transport Canada/Justice for consideration and we are awaiting their response. The questions are provided for the members on the ACPA website under the Members Only section.

### **PILT Act Implementation**

- On April 30, PWGSC held a briefing for all Crown Corporations and those that still have responsibility for federal property. Members of the PILT Task Force and several port representatives attended the meeting representing CPAs.
- The PILT Task Force reviewed the terms of reference for the best practices study to be conducted by the Appraisal Institute of Canada and the Task Force is in agreement with their proposed process and timetable.
- It is now incumbent upon CPAs, and real property managers specifically, to ensure that those conducting the best practices study have a complete understanding of the important components in the assessment of real property at ports.
- The PILT Task Force will monitor the progress of this study over the coming months to ensure they are fully aware of proper methodologies for the assessment of property at ports.

## **Best Practices Study for the Assessment of Federal Real Property**

- The Best Practices Study for unique properties of the federal government such as that held by Crown Corporations, Parks and Ports has now begun. The contract has been finalized with the Appraisal Institute of Canada, but will not be complete by March of 2003.
- Ports will be included in the first class of property to be considered by the Best Practices Study.
- PWGSC noted that 'fairness, equity and predictability' were the key components of the new PILT Act replacing the Municipal Grants Act.
- PWGSC is now in the process of developing the policy and regulations related to the PILT Act. Once PWGSC has a draft of those policies and regulations, the ACPA will endeavour to mirror those of PWGSC for federal property on port lands as Crown Corps and Ports may wish to develop its own specific policy related to federal property under its control. However, it must reflect the overall intent of the Act.
- ACPA's PILT Task Force and Real Property Committee will monitor the progress of both the policies and regulations related to PILTs.
- They referred to the Dispute Advisory Panel which was put in place to deal with appeals made on property valuations, however, the decisions of this body are non-binding on the parties to the appeal.
- PWGSC is now seeking names across the country from each Province to propose as candidates for a GIC appointment to the Advisory Panel. They must have some background in appraisal/assessment law and must not be active members of a Crown Corporation. Should any ports have suggested nominees please advise the ACPA or PWGSC PILT Branch (Gary Abson, Director, PILT Branch).
- It must be noted that under the PILT Act those responsible for the management of federal property cannot make special arrangements with a municipality related to the Act.
- As per the Act, and as previously reported, there is also a Program Advisory Committee that will advise the Minister on changes required to the PILT Act as required. This Committee has not yet be formed.
- Members of the Program Advisory Committee will be a Chairman, President of Federation of Canadian Municipalities, Heads of Assessment, Crown Corporation Representatives, Departmental Representatives and the Appraisal Institute of Canada and its Quebec counterpart.

## **PILT Task Force Recommendations**

1. That the ACPA pursue statutory changes so that federal real property, as defined in the Letters Patent by the Canada Marine Act, be treated as all other federal real property with respect to the Payment in Lieu of Tax Act (PILT).
2. That the ACPA circulate the list of 'pre-valuation' questions for further input and to obtain the formal opinion of Transport Canada on those questions. A determination will then have to be made as to whether or not to retain outside council to research and render an opinion on the questions for inclusion in the 'Best Practices' initiative.
3. That the ACPA participate in the PWGSC "Best Practices Initiatives" to develop guidelines and case studies for the valuation of specialized (port) federal real property.

### **Rob Fitzgerald**

Chair, PILT Task Force

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