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Dear Mr. Brendon,

Thank you for your inquiry concerning RAC member property tax reporting requirements in Alberta, Saskatchewan and Manitoba.

Each year railway companies provide provincial assessment authorities with information about average costs for railway track and infrastructure and a traffic profile that includes data about Gross or Net Ton Miles carried through each subdivision in the province. Assessment authorities use this information to estimate a railway's construction costs and prescribe a regulated rate for each railway class.

Information and reporting frequency requirements are mandated through provincial legislation rather than municipal bylaw. In general, the reporting process for railways are similar in Alberta, Saskatchewan and Manitoba, with railways filing information by subdivision and not municipal jurisdiction.

RAC and its members remain concerned with any effort to alter the tax regime for the railway right of way in Ontario and the City of Toronto. The transition towards a tonnage-based taxation system would effectively treat railway track as an assessable component and breach Section 30(3) of the *Ontario Assessment Act*.

Furthermore, replicating the assessment processes in Western Canada would also require the Municipal Property Assessment Corporation to scale up their ability to complete railway costing analysis. This analysis needs to be transparent, predictable and fair while ensuring that railway information remains confidential. For railways, the administrative and reporting burden required to support the analysis would be substantive.

In its report to City Council (EX7.20), the Controller states that the City of Toronto already maintains the highest acreage rates for railways in the province, and that there is no evidence to suggest that changing to a tonnage-based levy would provide benefits to Toronto. RAC agrees with the Controller's statement and supports a decision to not alter the property tax regime for railway rights of way.

Please do not hesitate to contact me if you require additional information at 613.564.8103 or mgullo@railcan.ca.

Sincerely,



Michael Gullo
Senior Director, Policy and Public Affairs
Railway Association of Canada