
TO: GENERAL COMMITTEE

SUBJECT: 2017 PROPERTY TAX CLAWBACK RATES

WARD ALL

PREPARED BY AND KEY CONTACT: M. MASLIWEC, SENIOR MANAGER, ACCOUNTING AND REVENUE (ACTING), EXT. 4428

SUBMITTED BY: C. MILLAR, DIRECTOR OF FINANCE AND TREASURER

GENERAL MANAGER APPROVAL: P. ELLIOTT-SPENCER, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES

CHIEF ADMINISTRATIVE OFFICER APPROVAL: C. LADD, CHIEF ADMINISTRATIVE OFFICER

RECOMMENDED MOTION

1. That the 2017 property tax clawback percentages for properties in the Commercial, Industrial and Multi-residential properties be established as follows:

| | | |
|----|-------------------|----------|
| a) | Commercial | 9.9810% |
| b) | Industrial | 39.0809% |
| c) | Multi-residential | 0.0000% |
2. That the City Clerk be authorized to prepare the necessary Tax Capping By-law to establish the 2017 property tax clawback percentages as described herein.

PURPOSE & BACKGROUND

3. The purpose of this report is to seek Council approval for the 2017 property tax clawback percentages for properties that are in the Commercial, Industrial, and Multi-residential tax classes as required under Sec 330(1) of the *Municipal Act, 2001*.
4. The capping parameters were approved by General Committee motion 17-G-128 (Staff Report FIN008-17), which indicated that the capping program would be funded by clawing back decreases from within the affected property tax classes.
5. The clawback rates could not be established at the same time as the other capping parameters, as the tax ratios needed to be approved by Council prior to calculating these clawback rates.

ANALYSIS

6. Since the introduction of the capping program, Council has maintained a policy of withholding the equivalent amount of available tax decreases, by property class, to a maximum of 100% in order to fund the cost of properties that are entitled to capping protection. This means that properties that have a tax reduction contribute a portion of their decrease to limit tax increases on other properties in the same tax class.

7. All properties in the Multi-residential Class have reached full Current Value Assessment (CVA) using the capping parameters selected. The capping phase-out for this class will have no effect given that the decrease clawed back is 0%. Next year this class will be eligible for the Exit Capping Immediately option.
8. The clawback percentages and the remaining decrease that a taxpayer realizes (retains) by property class is as follows:

| Description | Multi-Residential | Commercial | Industrial |
|--|-------------------|------------|------------|
| Decrease Clawed Back | 0.0000% | 9.9810% | 39.0809% |
| Decrease Retained | 100.0000% | 90.0190% | 60.9191% |
| Total | 100% | 100% | 100% |
| Capping Protection Required | \$0 | -\$25,053 | -\$53,456 |
| Tax Decreases Withheld to Provide Capping Protection | \$0 | \$25,053 | \$53,456 |
| Net Class Impact | \$0 | \$0 | \$0 |

ENVIRONMENTAL MATTERS

9. There are no environmental matters relating to the approval of the 2017 property tax clawback percentages.

ALTERNATIVES

10. There are no alternatives available for consideration by General Committee as no other combination of clawback rates will result in capping protection being funded within each capped class.

FINANCIAL

11. There are no direct financial implications to the City associated with the recommendations regarding 2017 property tax clawback rates.

LINKAGE TO 2014-2018 STRATEGIC PLAN

12. This is an operational matter that is not specifically related to the goals identified in the 2014-2018 Strategic Plan.