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**TO:** GENERAL COMMITTEE

**SUBJECT:** 2020 PROPERTY TAX CLAWBACK RATES

**WARD** ALL

**PREPARED BY AND KEY CONTACT:** C. SMITH, SENIOR MANAGER, ACCOUNTING AND REVENUE, EXT. 5128

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

**GENERAL MANAGER APPROVAL:** D. MCALPINE, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES

**CHIEF ADMINISTRATIVE OFFICER APPROVAL:** M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

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**RECOMMENDED MOTION**

1. That the 2020 property tax clawback percentages for affected properties in the commercial and industrial classes be established as follows:

a)	Commercial	3.042530%
b)	Industrial	0.000000%
2. That the City Clerk be authorized to prepare the necessary Tax Capping By-law to establish the 2020 property tax clawback percentages as described in Staff Report FIN011-20.

**PURPOSE & BACKGROUND**

3. The purpose of this report is to seek Council approval for the 2020 property tax clawback percentages for affected properties that are in the commercial tax class as required under Sec 330(1) of the *Municipal Act, 2001*. The industrial class has now reached CVA taxation and no clawback is required.
4. The capping parameters were approved by motion 20-G-080 (Staff Report FIN008-20 – 2020 Tax Ratios and Capping Policies), 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. There are three properties in the Commercial class and no properties in the industrial class that are affected by the capping program. The clawback percentages and the remaining decrease that property owners realize (retain) by class is as follows:

Description	Commercial	Industrial
Decrease Clawed Back	3.0425%	0.00%
Decrease Retained	96.9575%	100.00%
Total	100%	100%
Capping Protection Required	-\$116.18	-\$0
Tax Decreases Withheld to Provide Capping Protection	\$116.18	\$0
Net Class Impact	\$0	\$0

#### **ENVIRONMENTAL AND CLIMATE CHANGE IMPACT MATTERS**

8. There are no environmental or climate change impact matters relating to the approval of the 2020 property tax clawback percentages.

#### **ALTERNATIVES**

9. 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**

10. There are no direct financial implications to the City of Barrie associated with the recommendations regarding 2020 property tax clawback rates.

#### **LINKAGE TO 2018-2022 STRATEGIC PLAN**

11. This is an operational matter that is not specifically related to the goals identified in the 2018-2022 Strategic Plan.