

TO: GENERAL COMMITTEE

SUBJECT: 2011 PROPERTY TAX CLAWBACK RATES

PREPARED BY AND KEY CONTACT: R. McDougall, Revenue and Taxation Supervisor (ext 4791)

SUBMITTED BY: D. McKinnon, B.Comm., CGA, Director of Finance

COMMISSIONER APPROVAL: E. Archer, CMA, General Manager of Corporate Services

CHIEF ADMINISTRATIVE OFFICER APPROVAL: JON M. BABULIC, CHIEF ADMINISTRATIVE OFFICER

RECOMMENDED MOTION

1. That the 2011 property tax clawback percentages for properties in the commercial, industrial and multi-residential property classes be established as follows:
 - a) Multi-residential 14.5056%
 - b) Commercial 46.5930%
 - c) Industrial 47.8585%
2. That the City Clerk be authorized to amend the by-law 2011-062 Tax Capping Parameters for 2011 to establish the aforesaid 2011 clawback percentages.

PURPOSE & BACKGROUND

3. The purpose of this report is to seek Council approval for the 2011 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.
4. The capping parameters were approved by General Committee motion 11-G-112 (Staff Report FIN011-11) and 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 established 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. The table below indicates the clawback rates required for 2011, the percentage of the tax decrease that property owners with decreasing taxes will retain and the amount of capping protection required by class.

Description	Multi-Residential	Commercial	Industrial
Decrease Clawed Back	14.5056%	46.5930%	47.8585%
Decrease Retained	85.4944%	53.4070%	52.1415%
Total	100%	100%	100%
Capping Protection Required	-14,920	-557,288	-261,133
Tax Decreases Withheld to Provide Capping Protection	14,920	557,288	261,133
Net Class Impact	0	0	0

ENVIRONMENTAL MATTERS

8. There are no environmental matters relating to the approval of the 2011 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 financial implications to the City of Barrie as there were sufficient dollars available from property tax decreases to provide the necessary capping protection for 2011.

LINKAGE TO COUNCIL STRATEGIC PRIORITIES

11. This is an operational matter that has no direct relationship to the City of Barrie's Strategic Priorities.