


TO: GENERAL COMMITTEE


SUBJECT: 2015 PROPERTY TAX CLAWBACK RATES

WARD ALL

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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 2015 property tax clawback percentages for properties in the commercial, industrial and multi-residential properties be established as follows:
 - a) Multi-residential 10.7878%
 - b) Commercial 36.4018%
 - c) Industrial 100.00%
2. That Council authorize the amendment to By-law 2015-033 Tax Capping Parameters for 2015 to establish the aforesaid 2015 clawback percentages.

PURPOSE & BACKGROUND

3. The purpose of this report is to seek Council approval for the 2015 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 15-G-080 (Staff Report FIN003-15) 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. The table below indicates the clawback rates required for 2015, the percentage of the tax decrease that property owners with decreasing taxes will retain and the amount of capping protection required by class. Properties in the Commercial Class that have a tax reduction will contribute 63.6653% of their decrease in order to limit the tax increases on all other properties in the commercial class. The legislation permits the City to limit the tax decreases by limiting the tax increases, within the individual classes to remain revenue neutral.

Description	Multi-Residential	Commercial	Industrial
Decrease Clawed Back	10.7878%	36.4018%	100.0000%
Decrease Retained	89.2122%	63.5982%	0.0000%
Total	100%	100%	100%
Capping Protection Required	-\$891	-\$63,612	-\$165,530
Tax Decreases Withheld to Provide Capping Protection	\$891	\$63,612	\$149,779
Net Class Impact	0	0	-\$15,751

ENVIRONMENTAL MATTERS

8. There are no environmental matters relating to the approval of the 2015 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. The industrial class will have a shortfall of \$15,751 as there were insufficient clawback adjustments to provide capping protection for this property class. This means that there are not enough decreasing properties to fund the caps on the increasing properties. This shortfall is shared with the school boards and is anticipated to be offset by in-year capping adjustments related to assessment appeals and supplementary taxes that will occur throughout the year.

LINKAGE TO 2014-2018 STRATEGIC PLAN

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