
TO: GENERAL COMMITTEE

SUBJECT: 2018 PROPERTY TAX CLAWBACK RATES

WARD ALL

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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

RECOMMENDED MOTION

1. That the 2018 property tax clawback percentages for affected properties in the Commercial and Industrial classes be established as follows:
 - a) Commercial 7.9014%
 - b) Industrial 36.9145%
2. That the City Clerk be authorized to prepare the necessary Tax Capping By-law to establish the 2018 property tax clawback percentages as described herein.

PURPOSE & BACKGROUND

3. The purpose of this report is to seek Council approval for the 2018 property tax clawback percentages for affected properties that are in the Commercial and Industrial tax classes, as required under Sec 330(1) of the *Municipal Act, 2001*.
4. The capping parameters were approved by Motion 18-G-067 (Staff Report FIN004-18 – 2018 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. All properties in the Multi-residential class have reached full Current Value Assessment (CVA) using the capping parameters selected. The option to exit the capping program for this class was approved by Motion 18-G-067 (Staff Report FIN004-18 - 2018 Tax Ratios and Capping Policies).
8. There are 16 properties in the Commercial class and 18 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	7.9014%	36.9145%
Decrease Retained	92.0986%	63.0855%
Total	100%	100%
Capping Protection Required	-\$12,653	-\$21,976
Tax Decreases Withheld to Provide Capping Protection	\$12,653	\$21,976
Net Class Impact	\$0	\$0

ENVIRONMENTAL MATTERS

9. There are no environmental matters relating to the approval of the 2018 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 2018 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.