

TOWN OF FORT FRANCES

BY-LAW NO. 22 /18

(Being a By-Law to authorize capping parameters for commercial, industrial and multi-residential capped property classes and to establish a minimum tax level for certain eligible properties).

WHEREAS S.329.1 of the *Municipal Act, 2001, S.O. 2001, c.25*, as amended, provides that Councils of upper-tier and single-tier municipalities may pass by-laws for one or more options to increase the annual limit on tax increases on property by up to 10 per cent of the previous year's annualized taxes and/or increase up to 10 per cent of what would have been the CVA taxes for the previous year. If these options are exercised, landlords of commercial and industrial property are required to adjust the amount of the tenant's cap accordingly. If a municipality establishes a threshold of up to the maximum \$500 for increasing properties or decreasing properties or both, and the resulting billing adjustment for a property is less than the threshold, the property would be liable for full CVA tax for the year. This section also provides municipalities the option of taxing commercial, industrial or multi-residential properties that become eligible new construction or new to class properties in 2007 at up to 90 per cent of the CVA taxes and the maximum percentage increases to 100 per cent of CVA taxes for properties that become eligible properties in 2008 and subsequent taxation years. Municipalities have the option to include or exclude properties from the capping and claw-back calculation if they were at CVA tax in the prior year and to include or exclude properties that would move from being capped in the prior year to being clawed-back in the current year or from being clawed-back in the prior year to being capped in the current year. Where eligible, a municipality can exit the Capping Program immediately when there are no capped properties in the class. Municipalities have the option to phase-out capping if properties in the class meet the eligibility criteria and that the capping option must be adopted in four consecutive years in order for the class to fully exit capping. Beginning in 2017 reassessment related increases could be excluded from the capping program.

AND WHEREAS on April 23, 2018 Council approved the Deputy Treasurer's Report 2018/54 dated April 18, 2018 outlining the capping options for 2018 for the Industrial Class.

NOW THEREFORE Council for the Corporation of the Town of Fort Frances **HEREBY ENACTS** as follows:

1. That revenue neutral shall be maintained within the Industrial class.
2. That the annualized tax limit for the Industrial class will be a 10 per cent increase based on the previous year's annualized taxes.
3. That the prior year CVA tax limit for the Industrial class will be a 10 per cent increase of the prior year's CVA tax.
4. That the minimum tax level of 100% remain for properties eligible for New Construction or New to Class in 2018.
5. That properties in the Industrial class that were at CVA Tax in 2017 or that would cross over CVA Tax in 2018 be excluded from capping.
6. That reassessment related increases in the Industrial Class be excluded from the capping calculations.
7. That the phase-out capping in the Industrial Class be applied for the eligible phase-out at 1/3 for Year 2 of 4, with the exclusion of vacant land.
8. That the Multi-Residential and Commercial classes that exited capping in 2017 remain excluded from capping.

This By-Law shall come into force and take effect on final passing.

READ THREE TIMES and finally passed in open Council this 23rd day of April 2018.

R. Avis, Mayor

E. Slomke, Clerk