

TO: Mayor Avis & Members of Council
FROM: Laurie Witherspoon, Treasurer
DATE: September 18, 2014
SUBJECT: 2013 Capping By-Law

BACKGROUND

At the April 22, 2013 Council Meeting By-Law No. 23/13 was passed authorizing capping parameters for Commercial, Industrial and Multi-residential capped properties classes. The by-law enacted in Clause 4., "That properties that were at CVA Tax in 2012 or that would cross over to CVA Tax in 2013 be excluded from capping".

On May 13, 2013, an amending By-Law No. 23/13-A changed Clause 4. to read, "That Commercial and Multi-residential properties that were at CVA Tax in 2012 or that would cross over CVA Tax in 2013 be excluded from capping.", and added Clause 5. "That Industrial properties that were at CVA Tax in 2012 or that would cross over CVA in 2013 be included for capping". The 2013 OPTA sign off for capping parameter purposes reflected the amending By-Law.

However, when reviewing the calculations for 2013 taxation for certain properties, we became aware that the OPTA capping calculations for property(s) in the Industrial class did not reflect the changed capping parameter enacted in By-Law No 23/13-A. In order to be consistent with the 2013 taxes billed, it is necessary to rescind By-Law No. 23/13-A as provided for in Ontario Regulation 73/03 Tax Matters – Special Tax Rates and Limits 8.0.2 (4) states that a by-law that applies for the 2013 taxation year must be passed on or before September 30, 2014. O. Reg. 109/14, s.1.

RECOMMENDATION

Administration recommends that By-Law No. 23/13-A. be rescinded.

Council Approval of This Report Will Approve the Administration's recommendation to rescind By-Law No. 23-13-A being a by-law to amend capping parameters for the 2013 taxation year.

TOWN OF FORT FRANCES

BY-LAW NO. 23/13

(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 to increase the annual limit on tax increases on property by up to 10 per cent of the previous year's annualized taxes or by up to 5 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 \$250 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 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.

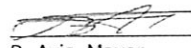
AND WHEREAS on April 22, 2013 Council supported the Treasurer's recommendation that capping on all capped classes (commercial, industrial and multi-residential) be applied in 2013 in the same manner as in 2012, and to exclude from capping those properties that were at CVA tax in 2012 or would cross over CVA tax in 2013 be exercised and that a minimum tax level threshold in 2013 for certain eligible properties be set.

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

1. That revenue neutral shall be maintained within each class.
2. The annual limit on capping for Commercial, Industrial and Multi-Residential classes will be a 10 per cent increase of the annualized tax limit based on the previous year's annualized taxes.
3. There shall be a minimum tax level of 100% for properties eligible for New Construction or New to Class in 2013.
4. That properties that were at CVA Tax in 2012 or that would cross over CVA Tax in 2013 be 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 22nd day of April 2013.



R. Avis, Mayor



G. Treftlin, Clerk

TOWN OF FORT FRANCES

BY-LAW NO. 23/13-A

(Being a by-law to amend By-Law No. 23/13 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 on April 22, 2013, Council enacted By-Law No. 23/13 to authorize capping parameters for commercial, industrial and multi-residential capped property classes and to establish a minimum tax level for certain eligible properties,

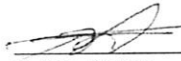
AND WHEREAS on May 13, 2013 Council supported the Administration and Finance Executive Committee's recommendation that certain changes be made to capping policies being applied in 2013 to certain Commercial, Multi-residential and Industrial properties.

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

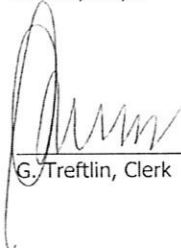
1. That Section 4. of By-Law No. 23/13 be struck out and subsequently re-enacted as follows:
 - "4. That Commercial and Multi-residential properties that were at CVA Tax in 2012 or that would cross over CVA Tax in 2013 be excluded from capping."
2. That a new Section 5. be added to By-Law No. 23/13 as follows:
 - "5. That Industrial properties that were at CVA Tax in 2012 or that would cross over CVA in 2013 be included for capping."

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

READ THREE TIMES and finally passed in open Council this 13th day of May 2013.



R. Avis, Mayor



G. Treftlin, Clerk

Resort condominium property class

8.0.1 Property in the resort condominium property class is exempt from the application of Part IX of the Act. O. Reg. 214/05, s. 1.

Municipal options

8.0.2 (1) A property is exempt from the application of Part IX of the Act for a taxation year if a by-law has been enacted by a municipality that provides that this section applies within the municipality for the year. O. Reg. 160/09, s. 4.

(2) A by-law under subsection (1) may require that any of the following conditions must be met in order for a property to be exempt:

1. The taxes for the property in the previous year were equal to its uncapped taxes for that year.
2. As a result of Part IX of the Act, the taxes for the property in the previous year were lower than the property's uncapped taxes for that year, but in the current year, if Part IX of the Act applied, the property's taxes would be equal to its uncapped taxes, or a tax decrease for the property would be limited.
3. A tax decrease for the property in the previous year was limited under Part IX of the Act, but in the current year, if Part IX of the Act applied, the property's taxes would be equal to its uncapped taxes, or a tax increase for the property would be limited.
O. Reg. 160/09, s. 4.

(3) A by-law under subsection (1) must be passed on or before the time provided for in subsection 329.1 (2) of the Act. O. Reg. 160/09, s. 4.

(4) Despite subsection (3), for the territorial districts of Algoma, Cochrane, Kenora, Manitoulin, Nipissing, Parry Sound, Rainy River, Sudbury, Thunder Bay and Temiskaming, a bylaw under subsection (1) that applies for the 2013 taxation year must be passed on or before September 30, 2014. O. Reg. 109/14, s. 1.

Casino Niagara

8.1 The property located in the City of Niagara Falls with the assessment roll number 2725 030 002 042 00 0000 is exempt from the application of Part IX of the Act. O. Reg. 368/03, s. 1.

Darlington and Pickering Generation Stations

8.2 (1) The following property is exempt from the application of Part IX of the Act for the 2003, 2004 and 2005 taxation years:

- 0.1 Land at the Bruce Generation Station that is included in the commercial property class, the office building property class or the large industrial property class.
 1. Land at the Darlington Generation Station that is included in the commercial property class, the office building property class or the large industrial property class.
 2. Land at the Pickering Generation Station that is included in the commercial property class, the office building property class or the large industrial property class. O. Reg. 367/05, s. 1; O. Reg. 577/06, s. 1 (1).

(1.1) The following property is exempt from the application of Part IX of the Act for the 2006 taxation year:

- 0.1 Land at the Bruce Generation Station that is described in paragraph 0.1 of subsection (1).
 1. Land at the Pickering Generation Station that is described in paragraph 2 of subsection (1). O. Reg. 367/06, s. 1 (1); O. Reg. 577/06, s. 1 (2).