

**TO: Mayor Avis & Members of Council**  
**FROM: Laurie Lindberg, Treasurer**  
**DATE: March 17, 2017**  
**SUBJECT: 2017 Tax Tools**

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## **BACKGROUND**

### **Vacant/Excess Land Sub-Classes**

At the March 6, 2017 Special Committee of the Whole – Budget Meeting, the Commercial vacant and excess land sub-class rates were discussed and Council indicated a preference to reduce the vacant land rate from 30% to 25% (percentage reduction would effect a minor tax rate increase for commercial vacant land) and leave the excess land rate 30% . The intention of the rate change was to even out the tax burden in the Commercial vacant (CU) class due to the assessment decrease for the 2017 taxation year.

I have prepared a Commercial Vacant Land Rate Reduction Analysis that shows the overall impact and the shift between the occupied and sub-classes. OPTA reports indicate that if the 5% reduction is applied to CU class, there is a slight shift in the overall Commercial classes (CT, CU, CX) and the effect is very minimal for the 302 properties in the commercial class including the sub-classes of vacant and excess land.

The Ministry of Finance bulletin indicates that if a Municipality makes any changes to the vacancy rebate and reduction programs, there is requirement to consult with the property owners on that class, submit the program details and Council resolution indicating approval of the changes by March 1<sup>st</sup>, April 1<sup>st</sup> or July 1<sup>st</sup>.

It is my recommendation, after taking a further review of the impact of vacant land rate reduction that the Town of Fort Frances does not proceed with the Commercial Vacant Land rate reduction for 2017 and only proceeds with the Industrial Vacancy Rebate reduction from 35% to 30% for the 2017 taxation year and future years. The Town will be notified when the regulation implementing the requested change has been enacted.

Council Approval of this Report Will Agree to the Administration recommendation to approve a 5% Industrial Vacancy Rebate reduction from 35% to 30% for the 2017 taxation year and future years. Further that this resolution be submitted to the Minister of Finance by April 1<sup>st</sup>, 2017 for regulation amendments.