

**ADMINISTRATION & FINANCE DIVISION
TREASURY REPORT 2021/59**

TO: Mayor Caul & Members of Council

FROM: Dawn Galusha, Treasurer

DATE: December 8, 2021

SUBJECT: Review of Large Industrial Tax Ratio and Rate

BACKGROUND

The attached report on Industrial Taxation was presented at the Economic Development Executive Committee held on Monday, May 5, 2021. At that time, it was referred to the Administration and Finance Executive Committee for further discussion and consideration with that committee's recommendation as follows:

- That the Administration & Finance Executive Committee review the current ratio and find a path in the 2022 tax year to level Industrial and Large Industrial Classes.
- The Town is encouraged to build a multi-year plan to create a competitive Industrial ratio similar to that of Dryden.

I have inquired to ensure that changing one ratio in OPTA is acceptable legislatively. The answer is, there are no restrictions to reducing the large industrial ratio, as long as the large industrial ratio and the average ratio for the broad industrial class do not go below the lower limit of the allowable range which is 0.6.

The concept around reducing the industrial and large industrial ratio is to attract new industry to Fort Frances. The difficulty arises because the tax burden gets shifted onto the other property classes. Leveling the Large Industrial to the Industrial ratio and rate results in a net loss in Large Industrial of \$130,570, which would impact the other tax classes causing a 1.14% increase.

RECOMMENDATION

The Administration and Finance Executive Committee agreed to the recommendation of the Treasurer, to bring this analysis into the 2022 Operating Budget for the tax rate and ratio discussions. This way, we will be able to ensure our analysis will take into consideration the 2022 Current Value Assessments to determine the impact of any changes on the various taxpayers.

Council approval of this report will agree with the recommendation of the Administration & Finance Executive Committee to bring the analysis of the Large Industrial Tax rate and ratio to the 2022 Operating Budget discussions.