

The Corporation of the City of Kawartha Lakes

Council Report

Report Number CORP2017-018

Date: May 2, 2017

Time: 2:00 p.m.

Place: Council Chambers

Ward Community Identifier:

Subject: Additional Tax Policy Decisions

Author/Title: Christine Norris,
Manager, Revenue & Taxation

Signature:



Recommendation(s):

RESOLVED THAT Report CORP2017-018, Additional Tax Policy Decisions, be received;


THAT capping protection be limited to reassessment related changes prior to 2017; and

THAT the capping program be phased out over a 4 year period when all properties in the class were within 50% of CVA tax at the time of the 2016 final billing; and

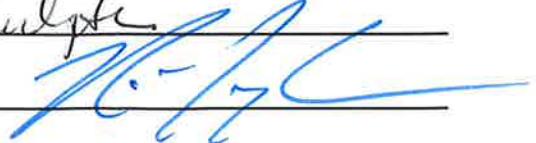
THAT the necessary amending by-law be forwarded for adoption.

Department Head:

Corporate Services Director / Other:



Chief Administrative Officer:



Background:

In the Province's 2016 Ontario Economic Outlook and Fiscal Review, it was announced municipalities would have additional flexibility to increase equity between properties by broadening options for municipalities. As stated in previous reports, capping protection was originally introduced to minimize the impact of the shift to current value assessment taxation over three years (1998 – 2000) however it has continued with changes introduced every few years to expedite the exit from capping.

One of the options introduced this year was to limit capping protection to reassessment related changes prior to 2017. An additional option available beginning with 2016 was to phase out the capping program over a 4 year period when all properties in the class were within 50% of CVA tax at the time of the previous year's final billing. The Regulation was signed after tax policy decisions for 2016 were adopted.

Tools to review the impact of the changes were not available until April 25, 2017 resulting in further recommendations to Council.

Rationale:

With implementation of the tools already approved by Council, only two properties in the commercial property class receive capping protection. Implementing the final two tools available to municipalities as noted above all properties in the City will be paying taxes based upon assessment times tax rate in 2020, if not sooner. Using the maximum tools the property owners will receive a total of \$1,521 of capping protection instead of \$2,142 – a difference of \$621.

Other Alternatives Considered:

Council can choose not to adopt the tools however the inequity created with capping protection will continue amongst some property owners for a number of years.

Financial Considerations:

As noted above the savings to the City would be \$621. While it is not a large amount, the work that it involved with properties subject to capping calculations is arduous, especially when a property is subject to assessment changes. The sooner the City is able to exit capping in its entirety the better.

Relationship of Recommendation(s) To The 2016-2019 Strategic Plan:

Strategic Enabler: Fiscally responsible service delivery – the capping program is a time consuming program that is now providing benefit to a couple of properties. By approving the expedited exit from the program, staff resources can be focused towards improving the assessment base.

Review of Accessibility Implications of Any Development or Policy:

Not Applicable

Servicing Comments:

Not Applicable

Consultations:

Not Applicable

Attachments:

Not Applicable

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