

THE CORPORATION TOWN OF MATTAWA

COMMITTEE: FINANCE

CHAIRPERSON: COUNCILLOR C. LACELLE

DEPT. HEAD: FRANCINE DESORMEAU

TITLE: TAX CAPPING EXIT BY-LAW

Draft By-Law                       Item                       Policy Recommendation

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**Mayor D. Backer and Members of Council:**

The municipality for the past seventeen years, has been subjected to shortfalls in the provincially mandated capping (10-5-5) tax process. In addition the Provincial wide reassessment in 2003, 2008 and 2012 resulted in major shifts both up and down in assessments in Mattawa and the Province developed a system to lessen the tax impact by allowing for a maximum increase of 10% to a tax bill and the remaining taxes not collected had to be absorbed by the remaining taxpayers.

In 2005 the Province also provided municipalities with optional tools to lessen this impact and Council incorporated these tools into the budget process. The capping limit was increased to 10% from 5% and secondly, the cap is allowed to be calculated with reference to the previous year's current value assessment (CVA) tax to a maximum of 5%. Thirdly, a maximum threshold of \$250.00 can be implemented whereby properties with capping decreases of less than this amount can be clawed back.

The taxes had to be absorbed by the same class of Assessment but in Mattawa's case there was not enough room in the tax class to make up the tax loss, specifically commercial. Council passed on the tax adjustments to the tax class and had to absorb the amount above the cap limit.

Since 2013 all Commercial, Industrial and Multi-Residential tax class properties have reached "capping status" which has resulted in there no longer being a financial dollar impact. The Ministry of Finance, as announced in the 2016 Ontario Budget, is providing the opportunity for municipalities who meet specific eligibility criteria, to have the option to exit from the capping program. Our municipality is eligible, therefore the following is recommended:

**Recommendation:**

That the Town of Mattawa approve By-law Number 16-14 to exit the tax capping program for the Commercial, Industrial and Multi-Residential Property Classes for the year 2016 and for subsequent tax years.

Respectfully recommended  
Councillor C. Lacelle

**THE CORPORATION OF THE TOWN OF MATTAWA  
BY-LAW 16-14**

**Being a by-law to exit the tax capping program for the  
Commercial, Industrial and Multi-Residential Property Classes  
for the year 2016 and for subsequent taxation years**

**WHEREAS** the Corporation of the Town of Mattawa (hereinafter referred to as "The Municipality") may, in accordance with Section 329 to Section 331 of Part IX of The Municipal Act, S.O. 2001 c.25, as amended (hereinafter referred to as "The Act") modify the provisions and limits set out in these sections of The Act, with respect of property in the Commercial, Industrial and Multi-Residential property classes;

**AND WHEREAS** this by-law shall only apply to properties in any of the Commercial, Industrial and Multi-Residential property classes to which Part IX of the Act applies;

**AND WHEREAS** for the purposes of this by-law the commercial classes shall be considered a single property class and the industrial classes shall be deemed to be a single property class;

**AND WHEREAS** Section 8.0.2(1) of Ontario Regulation 73/03, as amended, of The Act, allows a municipality to exempt certain properties from the application of Part IX of The Act.

**AND WHEREAS** Ontario Regulation 102/16, made under the Municipal Act, 2001 c.25, as amended, amending Ontario Regulation 73/03, states under Sections:

8.2 (1) A municipality, other than a lower-tier municipality, may pass a by-law providing that Part IX of the Act does not apply to any property in the commercial classes, to any property in the industrial classes or to any property in the multi-residential property classes if, in the previous taxation year in the municipality, there were no properties within the commercial classes, industrial classes or multi-residential property class, as the case may be.

8.2 (2) A municipality, other than a lower-tier municipality, may pass a by-law providing that Part IX of the Act does not apply to any property in the commercial classes, to any property in the industrial classes or to any property in the multi-residential property classes if, in the previous taxation year in the municipality, the taxes for each property in the commercial classes, industrial classes or multi-residential property class, as the case may be, were equal to the uncapped taxes for the property for the taxation year, as shown on the final tax bill for the taxation year for the property.

8.2 (3) A by-law under this section applies to the taxation year in which it is passed and to subsequent taxation years.

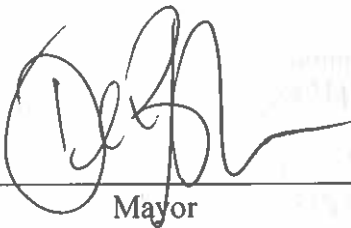
**AND WHEREAS** the Council has reviewed the provisions of The Act and hereby no longer deems it necessary and appropriate to adopt optional tools for the purpose of administering limits for the Commercial, Industrial and Multi-Residential property classes.

**NOW THEREFORE** the Council of the Corporation of the Town of Mattawa hereby enacts as follows:

1. That the multi-residential property class shall exit the property tax capping program immediately.
2. That the industrial property class shall exit the property capping program immediately.
3. That the commercial property class shall exit the property capping program immediately.
4. That this by-law shall come into place and take effect on the date of its passing.

READ A FIRST and SECOND time, this 27<sup>th</sup> day of June, 2016.

READ A THIRD time and FINALLY PASSED this 27<sup>th</sup> day of June, 2016.



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Mayor



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Clerk