

August 2, 2013

Ms. Bonnie Nistico-Dunk
City Clerk
City of St. Catharines
PO Box 3012
St. Catharines, Ontario
L2R 7C2

CL 10-2013, August 1, 2013
CSC 10-2013, July 24, 2013
Report CSD 87-2013
2013 Claw Back Percentages and
Municipal Tax Adjustments

The Council of the Regional Municipality of Niagara at its meeting of August 1, 2013, approved the following recommendations of its Corporate Services Committee:

"That Report CSD 87-2013, July 24, 2013, respecting the 2013 Claw Back Percentages and Municipal Tax Adjustments, **BE RECEIVED** for information.

That the claw back percentage for the affected property classes, under section 330 (1) of the *Municipal Act*, **BE ESTABLISHED** as follows for 2013:

Multi-Residential	0%
Commercial	27.0154%
Industrial	22.3902%

That the Region acts as a banker, under section 330(6) of the *Municipal Act* for the 2013 Municipal Tax Adjustments."

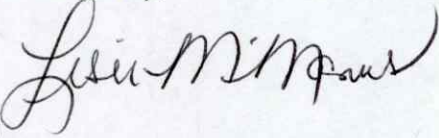
That the Regional Clerk **BE DIRECTED** to prepare the necessary by-laws (attached to Report CSD 87-2013).

That this report **BE CIRCULATED** to the Councils of the area municipalities for information."

Report CSD 87-2013 and a certified copy of By-law 85 is enclosed for your information.

For further information on this matter please contact Ms. Debbie Elliott, Acting Commissioner, Corporate Services at 905-685-4225 ext. 3246.

Yours truly,

A handwritten signature in cursive script, appearing to read "Janet Pilon".

for / Janet Pilon
Regional Clerk
Encl.

cc: D. Elliott, Acting Commissioner, Corporate Services

Niagara Region

REPORT TO: Corporate Services Committee

SUBJECT: 2013 Claw Back Percentages and Municipal Tax Adjustments

RECOMMENDATION

1. That the claw back percentage for the affected property classes, under section 330 (1) of the Municipal Act, BE ESTABLISHED as follows for 2013:

Multi-Residential	0%
Commercial	27.0154%
Industrial	22.3902%
2. That the Region acts as a banker, under section 330(6) of the Municipal Act for the 2013 Municipal Tax Adjustments.
3. That the Regional Clerk **BE DIRECTED** to prepare the necessary by-laws (attachment).
4. That this report **BE CIRCULATED** to the Councils of the area municipalities for information.

PURPOSE

Respond to legislation or mandated reporting requirements according to the *Municipal Act* that requires a bylaw to be passed prior to December 31 of a tax year. As per policy since 1998, the tax capping provisions have been applied consistent with past year's practice, for the 2013 tax year.

BUSINESS IMPLICATIONS

In the multi-residential property class there were no properties that qualified as Clawback, which leaves a deficit of \$2,514 attributed to "Capped" properties. This was a result of the re-assessment. Capping and Clawback distributions are handled within the Region's internal banking process. The deficit is distributed based on proportionate share of the multi-residential assessment base. Any shortfall is administered as part of the year end process. There are no other financial implications to the Region.

REPORT

A mandated capping program to limit tax increases has been in place since 1998. It was initially introduced as a three-year (10-5-5) program to mitigate reform related property tax increases for the multi-residential, commercial and industrial classes of property. On the completion of this program, Bill 140 was introduced to continue the transition towards Current Value Assessment (CVA) beyond year 2000 with a 5% limit calculated each year based on the previous year's annual taxes. Further capping options were introduced for the 2005 and 2009 taxation years to provide local flexibility in determining tax capping protection, accelerated progress toward CVA taxation, and reduced claw back percentages.

Regional Council has adopted all available capping options, permitted by the province since 2005, to the maximum. This has resulted in a significant reduction in the impact of the provincial capping program. The amount required to fund capped properties has declined significantly from approximately \$16.5 million in 1998 to \$430,486 thousand in 2013.

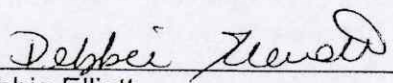
Finalization of the data on Ontario Property Tax Analysis (OPTA) was completed by staff of the area municipalities, Niagara Region and the Municipal Property Assessment Corporation (MPAC), allowing OPTA to successfully freeze the tax and assessment data on June 17, 2013.

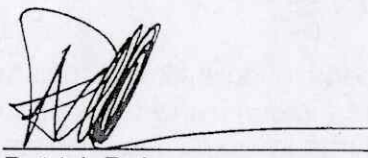
REPORTS PERTINENT TO THIS MATTER

N/A

Submitted by:

Approved by


Debbie Elliott
Acting Commissioner, Corporate Services


Patrick Robson
Acting Chief Administrative Officer

Attachment

This report was prepared by Larry Laverty, Manager, Property Tax Policy, and reviewed by Chris McQueen, Director Financial Management and Planning/Treasurer.

THE REGIONAL MUNICIPALITY OF NIAGARA

BY-LAW NO. 85-2013

A BY-LAW TO PROVIDE THE CLAW BACK
PERCENTAGES TO BE USED FOR EACH
CAPPED CLASS TO THE AREA MUNICIPALITIES

WHEREAS section 330 of the Municipal Act, S.O., 2001, c. 25, as amended, allows Regional Council to claw back property tax decreases in order to recover all or part of the revenues forgone as a result of a tax cap determined by the application of section 329 of the Municipal Act, S.O., 2001, and authorizes the Region to provide adjustments between the upper-tier and lower-tier municipalities, to ensure that a surplus or shortfall does not result; and

WHEREAS, in order for the area municipalities to utilize these claw back percentages, the Region must pass a by-law indicating the percentage to be used for each capped class; and

WHEREAS the claw back percentages have been calculated, and the funding method has been established, as reported in Report CSD 87-2013.


NOW THEREFORE the Council of The Regional Municipality of Niagara enacts as follows:

- That the claw back percentages for each capped class are:
1.

Multi-Residential	0%
Commercial	27.0154%
Industrial	22.3902%
 2. That this by-law shall come into force on the date upon which it is passed.

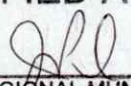
THE REGIONAL MUNICIPALITY OF NIAGARA


(Gary Burroughs, Regional Chair)


(Janet Pilon, Regional Clerk)

Passed: August 2, 2013

CERTIFIED A TRUE COPY


CLERK, REGIONAL MUNICIPALITY OF NIAGARA