

The Corporation of the City of Peterborough

By-Law Number 18-042

Being a By-law to adopt optional capping tools for the purposes of administering limits for the Commercial and Multi-Residential property classes for the 2018 taxation year

Whereas the Corporation of The City of Peterborough may, in accordance with Section 329.1 of the **Municipal Act, 2001**, S.O. 2001 c.25, as amended (hereinafter referred to as the “Act”) modify the provisions and limits set out in Section 329 of the Act, with respect to the calculation of taxes for municipal and school purposes payable in respect of property in the Commercial and Multi-Residential property classes;

And Whereas the City of Peterborough must similarly modify the provisions and limits set out in Section 332 of the Act with respect to the “tenant cap” calculations;

And Whereas this by-law shall only apply to properties in any of the Commercial 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 Whereas “uncapped taxes” means, the taxes for municipal and school purposes that would be levied for the taxation year but for the application of Part IX of the Act;

And Whereas Report CPFS16-013 dated May 30, 2016 recommended that Council adopt the new Business Tax Capping options;

And Whereas The Council may pass a by-law to apply any one or any combination of the following options:

- a) Set the annual cap to the maximum of 10% of the previous year’s capped taxes; and/or
- b) Set an upper limit on annual increases at the greater of the amount calculated under (a) and up to 10% of the previous year’s annualized CVA tax; and/or
- c) Up to a maximum \$500 threshold may be set for increasing properties, decreasing properties or both; and/or
- d) Properties that achieved their CVA tax level in 2017 will remain at CVA tax for the 2018 taxation year including properties that cross over from the clawback to the capping category or vice versa.
- e) That properties within the Commercial and Multi-Residential tax classes move towards CVA Tax over a four year phase-out period.

And Whereas a by-law passed to adopt the provisions of Subsection 329.1 paragraphs 1 and 2 of the Act provides that such provisions shall also apply to Section 332 of the Act with respect to the “tenant cap” calculations;

And Whereas the Council has reviewed the provisions of Section 329.1 of the Act and hereby deems it necessary and appropriate to adopt optional tools for the purpose of administering limits for the Commercial and Multi-Residential property classes.

Now Therefore, The Corporation of the City of Peterborough by the Council thereof hereby enacts as follows:

1. **That** paragraphs 1, 2, and 3, of Subsection 329.1 (1) of the Act shall apply to the Commercial and Multi-Residential property classes for 2018; and
2. **That** the following Business Property Tax Capping Options be adopted as amended by O. Reg 131/17:
 - a) The annual cap be set to the maximum of 10% of 2017 annualized capped taxes.
 - b) The upper limit on annual increases be set at the greater of the amount calculated under (a) and 10% of the 2017 CVA tax.
 - c) The maximum threshold for increasing properties to \$500.
 - d) Properties that achieved their CVA tax level in 2017 will remain at CVA tax for the 2018 taxation year including properties that cross over from the clawback to the capping category or vice versa.
 - e) Properties within the Commercial and Multi-Residential tax classes continue to move towards CVA Tax over a four year phase-out period to achieve full CVA tax in 2019.

This by-law comes into force and takes effect on the final passing thereof.

By-law read a first, second and third time this 22nd day of May, 2018.

(Sgd.) Daryl Bennett, Mayor

(Sgd.) John Kennedy, City Clerk