



The Corporation of the City of Cornwall
Regular Meeting of Council
By-law Explanatory Note

Department: Financial Services
Division: Finance
Report Number: 2020-287-Financial Services
Prepared By: Tracey Bailey, General Manager
Meeting Date: May 25, 2020
Subject: Explanatory Note Establishing Tax Capping Options and Parameters.

Purpose

To provide Council with a by-law establishing a capping threshold for properties in the Multi-Residential, Commercial and Industrial tax classes for the taxation year 2020.

Background / Discussion

Section 329 provides the primary set of rules relating to the program in order to limit the impact of the cost of the program (capping costs) to properties within the affected classes. As the legislation (section 329(1)) currently stands annual tax increases on properties in the three protected classes are restricted to 10% plus the change (if any) in the municipal levy.

Municipalities can choose to recover the shortfall caused by the tax capping from other properties in the same class that are eligible for tax decreases (section 330). The amount to be recovered—the clawback—is calculated as a percentage of the potential tax decreases. This decrease percentage can be as much as 100% of the available decreases. Although municipalities must cap the taxes for increasing properties, they are not obligated to impose clawbacks on decreasing properties to pay for the tax capping. Instead, they can increase the general level or use funds from other sources.



Report Approval Details

Document Title:	Note to By-Law Establishing 2020 Tax Capping Options and Parameters - 2020-287-Financial Services.docx
Attachments:	
Final Approval Date:	May 16, 2020

This report and all of its attachments were approved and signed as outlined below:

Tracey Bailey - May 15, 2020 - 2:47 PM

Maureen Adams - May 16, 2020 - 7:43 AM