



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

Department: Financial Services
Division: Finance
Report Number: 2020-289-Financial Services
Prepared By: Tracey Bailey, General Manager
Meeting Date: May 25, 2020
Subject: Explanatory Note to the By-law establishing 2020 Tax Ratios

Purpose

To provide a By-law to set the 2020 tax ratios as prescribed by the Ministry of Finance.

Background / Discussion

Tax ratios represent the relationship between tax rates for all non-residential property classes and the rate for the residential class. Tax ratios distribute tax burden between classes relative to the residential class tax ratio, which is equal to "one". Tax rates are required to be expressed as a percentage of the assessment for properties in each property class.

In 2017, changes to the multi-residential tax ratio were introduced. Legislation directed that if a municipality's multi-residential tax ratio is greater than 2.0 a full levy restriction would apply. Under this restriction, the municipality would be unable to pass on budget increases to properties in the multi-residential class, requiring the other property classes to pick up that proportion of the budgetary increase that would otherwise be levied to the multi-residential property class. In 2017, the City's multi-residential tax ratio was 2.3492, therefore the restriction applied. The multi-residential ratio has continued to decrease with the application of this restriction. In 2020, the ratio for the multi-residential class will change to 2.113186.

Report Approval Details

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

Tracey Bailey - May 15, 2020 - 5:09 PM

Maureen Adams - May 16, 2020 - 8:04 AM