



Authority: Item 5.4(c) (FCS20039)
CM: April 22, 2020
Ward: City Wide
Bill No. 092

CITY OF HAMILTON
BY-LAW NO. 20-092

To Adopt Municipal Options for Tax Capping

WHEREAS subsection 329 of the *Municipal Act, 2001*, S.O. 2001, c. 25, provides for a cap which determines the maximum taxes for which particular classes of real property are liable during the taxation year; and

WHEREAS paragraph 329.1(1)1 of the *Municipal Act, 2001*, S.O. 2001, c. 25, authorizes the City of Hamilton to enact a by-law to establish a percentage greater than 5% and less than or equal to 10% by which tax increases shall be limited in respect of properties in the Commercial, Industrial, Landfill and Multi-Residential property tax classes; and

WHEREAS paragraph 329.1(1)3 of the *Municipal Act, 2001*, S.O. 2001, c. 25, authorizes the City of Hamilton to enact a by-law to establish a dollar amount threshold greater than \$0 and less than or equal to \$500 by which capped properties in the Commercial, Industrial, Landfill and Multi-Residential property tax classes move to their full Current Value Assessment taxes if they are at or below this dollar amount threshold of their Current Value Assessment taxes; and

WHEREAS paragraph 329.1(1)8 of the *Municipal Act, 2001*, S.O. 2001, c. 25, authorizes the City of Hamilton to enact a by-law to establish a percentage greater than 0% and less than or equal to 100% by which the amount of full Current Value Assessment taxes for a property which becomes an eligible property within the meaning of subsection 331(20) of the *Municipal Act, 2001*, S.O. 2001, c. 25 shall be limited in respect of properties in the Commercial, Industrial, Landfill and Multi-Residential property tax classes; and

WHEREAS Ontario Regulation 73/03 authorizes the City of Hamilton to enact a by-law to exempt a property from the application of Part IX of the *Municipal Act, 2001*, S.O. 2001, c. 25, if taxes for the property in the previous year were equal to its full Current Value Assessment taxes for that year;

WHEREAS Ontario Regulation 73/03 authorizes the City of Hamilton to enact a by-law to exempt a property from the application of Part IX of the *Municipal Act, 2001*, S.O. 2001, c. 25, if in the previous tax year in the municipality there were no properties within the commercial classes, industrial classes or multi-residential classes, as the case may be;

WHEREAS Ontario Regulation 73/03 authorizes the City of Hamilton to enact a by-law to exclude reassessment increases from the application of Part IX of the *Municipal Act*,

2001, S.O. 2001, c. 25, for properties in the Commercial, Industrial, Landfill and Multi-Residential property tax classes; and

WHEREAS Ontario Regulation 73/03 authorizes the City of Hamilton to enact a by-law to phase out the application of part IX of the *Municipal Act, 2001*, S.O. 2001, c. 25, if in the previous taxation year, the taxes for each property in the Commercial, Industrial, Landfill and Multi-Residential property tax classes, as the case may be, were equal or greater than 50% of the uncapped taxes for the property for the taxation year.

NOW THEREFORE the Council of the City of Hamilton enacts as follows:

Tax Increase - Maximum Percentage

1. For the purpose of paragraph 329.1(1)1 of the *Municipal Act, 2001*, S.O. 2001, c. 25, the City of Hamilton establishes the maximum assessment-related tax increase allowed on the Commercial, Industrial and Multi-Residential property tax classes as 10% and accordingly limits properties in these classes to a maximum assessment-related tax increase of 10%.

Tax Increase – Maximum Dollar Amount

2. For the purpose of paragraph 329.1(1)3 of the *Municipal Act, 2001*, S.O. 2001, c. 25, the City of Hamilton establishes the maximum dollar amount threshold allowed on the Commercial, Industrial and Multi-Residential property tax classes as \$500 and accordingly properties in these classes move to their full Current Value Assessment taxes if they are at or below \$500 of their Current Value Assessment taxes in the current year.

Tax Increase – New Construction / New to Class

3. For the purpose of paragraph 329.1(1)8 of the *Municipal Act, 2001*, S.O. 2001, c. 25, the City of Hamilton establishes the maximum taxes allowed on a Commercial, Industrial and Multi-Residential property which becomes an eligible property within the meaning of subsection 331(20) of the *Municipal Act, 2001*, S.O. 2001, c. 25 as 100% of its full Current Value Assessment taxes in the current year.

Tax Capping Exemption

4. For the purpose of paragraph 8.0.2 of Ontario Regulation 73/03, the City of Hamilton exempts any property in the Commercial, Industrial or Multi-Residential property tax classes which paid full Current Value Assessment taxes for the previous year from Part IX of the *Municipal Act, 2001*, S.O. 2001, c. 25, in the current year.
5. For the purpose of Part III.1 of Ontario Regulation 73/03, the City of Hamilton continues to limit the capping protection to reassessment related increases prior to 2017.

6. For the purpose of paragraph 8.2 of Ontario Regulation 73/03, the City of Hamilton ends the application of Part IX of the *Municipal Act, 2001*, S.O. 2001, c. 25, to any property in the multi-residential property class and the commercial property class.
7. For the purpose of paragraph 8.3(2) of Ontario Regulation 73/03, the City of Hamilton opts to exclude properties in a subclass for vacant land in determining whether the taxes for each property in a class were equal to or greater than 50% of its uncapped taxes,
8. For the purpose of paragraph 8.3 of Ontario Regulation 73/03, in 2019 the City of Hamilton will commence the phase out of the application of Part IX of the *Municipal Act, 2001*, S.O. 2001, c. 25, for each property in the industrial property class.

General

9. The purpose of this By-law is to clarify the respective rights and obligations of the City of Hamilton and all persons liable for tax during the fiscal year.
10. This By-law is deemed to have come into force on January 1st, 2020.

PASSED this 13th day of May, 2020.

F. Eisenberger
Mayor

A. Holland
City Clerk