

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON JULY 13, 2020
FROM:	ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	ELIMINATION OF VACANT AND EXCESS LAND SUBCLASSES TAX REDUCTIONS

RECOMMENDATION

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer and Chief Financial Officer, the following actions be taken with respect to the elimination of vacant and excess land subclasses tax reductions:

- a) the staff report dated July 13, 2020 entitled "Elimination of Vacant and Excess Land Subclasses Tax Reductions", BE RECEIVED:
- b) the City Clerk BE DIRECTED to bring forward for Municipal Council's consideration the attached proposed by-law (Appendix "A") being "A by-law to eliminate the subclass tax reduction in accordance with subsection 313 (1.3) of the *Municipal Act, 2001*, as amended for vacant and excess land in the commercial and industrial property classes for 2020 and subsequent years at such time as the Provincial Regulation related to this matter, is in effect.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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Corporate Services Committee, October 22, 2019, Item # 2.3, Vacant/Excess Land Subclass Tax Reductions and Other Tax Policy Issues

Corporate Services Committee, April 14, 2020, Item # 2.3, Year 2020 Tax Policy

BACKGROUND

On October 29, 2019 Municipal Council approved the following resolution:

That, on the recommendation of the Managing Director Corporate Services and City Treasurer, Chief Financial Officer, the following actions be taken with respect to vacant/excess land subclass tax reductions in the commercial and industrial property classes and other tax policies noted in the attached staff report:

- a) *the Minister of Finance BE REQUESTED to file the necessary regulation to eliminate the 30% municipal tax reductions on vacant commercial and industrial land and excess land in the City of London, beginning with the 2020 calendar year, in order that the City policy for these subclass reductions for municipal taxes will be the same as the Provincial policy for subclass reductions for education taxes that will be applicable in the year 2020;*
- b) *the City Clerk BE DIRECTED to send the above-noted resolution to the Minister of Finance;*

At this time, the above resolution is with the Minister of Finance. We anticipate the requested regulation will be signed by the Minister very soon. We have been advised the regulation when issued will be retroactive for the year 2020. The above resolution has been incorporated into the City's Year 2020 Tax Policy Report and by-laws as approved by Council for the year 2020 and is consistent with the Provincial policy for subclass reductions for education property taxes in 2020.

The issuance of the Provincial Regulation was anticipated at the time of the approval of tax policy by Council for the year 2020. It appears however, due to the COVID-19 emergency, the requested regulation has been delayed. The proposed by-law attached as Appendix "A" to this report will be placed on a future Municipal Council Agenda for consideration of enactment at such time as the regulation related to this matter is in effect.

PREPARED BY:	CONCURRED BY:
JIM LOGAN, CPA, CA DIVISION MANAGER – TAXATION & REVENUE	IAN COLLINS, CPA, CMA DIRECTOR, FINANCIAL SERVICES

RECOMMENDED BY:
ANNA LISA BARBON, CPA, CGA, MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER

Attachment.

APPENDIX "A"

Bill No.
2020

By-law No.

A by-law to eliminate the subclass tax reduction in accordance with subsection 313 (1.3) of the *Municipal Act, 2001*, as amended, for vacant and excess land in the commercial and industrial property classes for 2020 and subsequent years.

WHEREAS section 5(3) of the *Municipal Act, 2001* S.O. 2001, c.25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 307 of the *Municipal Act, 2001*, as amended, provides for the passing of by-laws for the levying of rates of taxation;

AND WHEREAS section 313(1.3) of the *Municipal Act, 2001*, as amended, provides that despite subsection (1), a municipality, other than a lower-tier municipality, may, if authorized by the regulations, pass a by-law providing that a tax rate reduction in paragraph 1, 2, 3, 4 or 5 of subsection (1) does not apply. 2016, c. 37, Sched. 15, s. 4; 2017, c. 8, Sched. 19, s. 3 (4);

AND WHEREAS the Province of Ontario has amended Ontario Regulation 580/17 Tax Matters – Vacant and Excess Land Subclasses, Tax Reductions;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. For all taxation years beginning 2020, the tax rate reductions in paragraphs 2, 3, 4, or 5 of subsection 313(1) of the *Municipal Act, 2001*, as amended, do not apply.
2. The administration of this by-law is assigned to the City Treasurer who is hereby authorized and directed to do such things as may be necessary or advisable to carry out fully the provisions of this by-law.
3. This by-law comes into force on the day it is passed.

PASSED in Open Council on -

Ed Holder
Mayor

Catharine Saunders
City Clerk

First Reading –
Second Reading –
Third Reading –