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DATE 15 June 1998

TO/DEST. Coordinator
 Corporate Services and Economic Development Committee

FROM/EXP. Finance Commissioner

SUBJECT/OBJET **REQUEST FOR AN EXTENSION TO THE 30 DAY DEADLINE
 IMPOSED BY THE PROVINCE FOR DETERMINING THE USE
 OF THE OPTIONAL COMMERCIAL AND INDUSTRIAL
 PROPERTY CLASSES AND THE 2.5% CAP FOR INCREASES**

DEPARTMENTAL RECOMMENDATION

That the Corporate Services and Economic Development Committee recommend that Council request that the province extend the 30 day deadline period to 60 days from the return of the roll in determining the use of the optional commercial and industrial property classes and the optional use of the 2.5% tax increase cap.

DISCUSSION

On May 7, 1998 the Minister of Finance introduced Bill 16, the *Small Business and Charities Protection Act, 1998*, and on June 11th, the Bill received royal assent. In the original version of the Bill, upper-tier municipalities had to determine, within 30 days of receiving the final assessment roll, whether or not the optional commercial and industrial property classes and the 2.5% cap for tax increases on commercial, industrial, and multi-residential properties would be used. After some debate and opposition from the Municipal Clerks and Treasurers Association, the Municipal Finance Officers Association, and the Association of Municipalities of Ontario, the original Bill was referred to the Standing Committee for further review and consultation. When the Bill came back to the Legislature for third reading, it had been amended to allow for an additional 30 day extension period, provided it was requested by the municipality and further approved by Minister of Finance.

The existing 30 day deadline severely restricts the Region's ability to model the impact of the different optional tax tools available for municipalities to use and to assess the impact they have on properties across the region. This deadline also prohibits the Region from providing any public consultation on tax policy, and while by extending this deadline to 60 days after receipt of the roll only provides a limited window of opportunity for consultation in the form of a two week tabling

at the Corporate Services and Economic Development Committee, it is the maximum time frame the Act allows.

Based on receiving approval from the Minister of Finance for this extension, staff believe that the anticipated schedule for the modeling and approval of tax policies for 1998 can be achieved. The Assessment Office has indicated that the final roll is expected to be delivered to the Region by Wednesday June 17th, at which point the impact on a property-by-property basis can begin to be modeled.

Approved by
J.C. LeBelle
Finance Commissioner