24
FUNDING OF 2010 PROPERTY TAX CAPPING REQUIREMENTS

The Finance and Administration Committee recommends the adoption of the recommendation contained in the following report dated August 4, 2010, from the Commissioner of Finance.

1. RECOMMENDATION

1. It is recommended that Council receive this report for information.

2. PURPOSE

At its June 24, 2010 meeting, Council authorized the Regional Treasurer to set the "clawback" rates for 2010. This report provides an update to the actual clawback rates based on final date of reconciliation for the capping analysis.

3. BACKGROUND

The Region uses the Province's Online Property Tax Analysis (OPTA) in order to calculate the appropriate clawback percentages. Council set the clawback percentages prior to the OPTA reconciliation date of June 1, 2010 which allows local municipalities to prepare the property tax billings for the protected classes in a timely manner. Staff also advised in the June "2010 Property Tax Capping Authorization Report" (Clause 1, Report No. 6 of the Commissioner of Finance) that an update would be provided in the Fall to confirm the clawback percentages for 2010.

4. ANALYSIS AND OPTIONS

Table 1 below confirms the actual and projected clawback percentages for 2010 as of the OPTA freeze date, June 24, 2010.

Table 1
Projected and Actual Percentages for 2010

Property Class	Projected Clawback	Actual Clawback
Multi-Residential	0%	0%
Commercial	64.61%	66.32%
Industrial	80.89%	77.74%

The differences between the projected and actual percentages in Table 1 are primarily due to a number of properties that remained unreconciled at the time Council approved the June report. A revised York Region revenue requirements schedule that includes the bankering amounts due to the 2010 clawback percentages, has been mailed to the local municipalities for the final two instalments in 2010.

5. FINANCIAL IMPLICATIONS

There is no net financial impact to the Region.

6. LOCAL MUNICIPAL IMPACT

Section 330 (6) of the Act requires that the Region act as a “banker” of the capping and clawback requirements, to ensure that the local municipalities do not experience shortfalls or surpluses resulting from the application of the capping legislation. The 2010 bankering amounts are included in a revised schedule and sent to each of the local municipalities.

7. CONCLUSION

At its June 24, 2010 meeting, Council authorized the Regional Treasurer to determine the “clawback” percentages related to the funding of the capping provisions of the Act. This report confirms the final 2010 clawback rates as determined by the Regional Treasurer. The “bankering” adjustments that arise from the application of the clawback rates have been communicated to each of the local municipal treasurers by correspondence.

For more information on this report, please contact Clayton Pereira, Tax Policy Specialist at Ext. 1679 or Brian Parrott, Manager Fiscal Policy at Ext. 1667.

The Senior Management Group has reviewed this report.