

THE REGIONAL MUNICIPALITY OF PEEL

BY-LAW NUMBER 26-2022

A by-law to adopt the optional tools for calculating the amount of taxes for municipal and school purposes payable in respect of property in the commercial property classes for 2022.

WHEREAS Part IX of the *Municipal Act, 2001*, as amended (hereinafter referred to as the "*Act*") makes provision for limitation on taxes for certain property classes;

AND WHEREAS, the *Act* provides that a municipality, other than a lower-tier municipality, may pass a by-law to have one or more of the optional tools in subsection 329.1(1) of the *Act* and Ontario Regulation 73/03 as amended apply in the calculation of the amount of taxes for municipal and school purposes payable in respect of property in the commercial property classes for a taxation year;

AND WHEREAS, the Council of The Regional Municipality of Peel deems it desirable to adopt the optional tools available to it under subsection 329.1(1) of the *Act* and Ontario Regulation 73/03 as amended for the 2022 taxation year, and to apply them equally to the applicable property classes to promote fairer property taxation;

AND WHEREAS, Ontario Regulation 73/03 as amended provides that a property is exempt from the application of Part IX of the *Act* for a taxation year if a by-law has been enacted by a municipality that provides that section 8.0.2 of the regulation applies within the municipality for the year, which by-law may provide for certain conditions to be met in order for a property to be exempt;

AND WHEREAS, the Council of The Regional Municipality of Peel deems it desirable that section 8.0.2 of Ontario Regulation 73/03 as amended apply within the municipality and that certain conditions of exemption apply;

AND WHEREAS, Ontario Regulation 73/03 as amended provides for a phase out of the application of Part IX of the *Act* for a taxation year if a by-law has been enacted by a municipality, other than a lower-tier municipality, that provides that section 8.3 of the regulation applies within the municipality for the year, which by-law may provide for certain conditions to be met in order to phase out the application of Part IX of the *Act*;

AND WHEREAS, the Council of The Regional Municipality of Peel deems it desirable that section 8.3 of Ontario Regulation 73/03, as amended apply within the municipality;

AND WHEREAS, the Council of The Regional Municipality of Peel has by resolution adopted on May 12, 2022 authorized the presentation of this by-law for enactment;

NOW THEREFORE, the Council of the Regional Corporation enacts as follows:

1. In this by-law:

"capped taxes" and "capped" mean the taxes for municipal and school purposes that are imposed for the taxation year as a result of the application of Part IX of the *Act*;

"clawed-back" means the percentage by which tax decreases are limited for a taxation year in respect of properties in the commercial property classes in order to recover all or part of the revenues forgone as a result of the application of section 329 of the *Act* and Ontario Regulation 73/03 as amended to other properties in the property class;

"previous year" means 2021;

"taxation year" means 2022;

"uncapped taxes" means the taxes for municipal and school purposes that would be imposed for the taxation year but for the application of Part IX of the *Act*.

2. The following optional tools shall be applied in determining the amount of taxes for municipal and school purposes payable in respect of property in the commercial classes for the taxation year:

(1) In determining the amount of taxes for municipal and school purposes for the taxation year under subsection 329 (1) of the *Act* and the amount of the tenant's cap under subsection 332 (5) of the *Act*,

- i. 10 per cent shall be used, instead of 5 per cent, in determining the amount to be added under paragraph 2 of subsection 329 (1) of the *Act*, and
- ii. 10 per cent, instead of 5 per cent, shall be used in increasing under paragraph 2 of subsection 332 (5) of the *Act* the amount calculated under paragraph 1 of that subsection.

(2) In determining the amount of taxes for municipal and school purposes for the taxation year under subsection 329 (1) of the *Act* and the amount of the tenant's cap under subsection 332 (5) of the *Act* and Ontario Regulation 73/03, as amended,

- i. the amount to be added under paragraph 2 of subsection 329 (1) of the *Act* shall be the greatest of,
 - A. the amount of the taxes for municipal and school purposes that would have been levied in respect of the property for the previous year but for the application of Part IX of the *Act*, subject to the adjustments stipulated

in section 15.1 of Ontario Regulation 73/03 as amended or such other adjustments that may be prescribed under the *Act*, multiplied by 10 per cent,

- B. the amount that would be added under paragraph 2 of subsection 329 (1) of the *Act* for the taxation year using 10 per cent as specified under paragraph 2(1) i of this by-law, and
 - C. 5 per cent of the amount determined under paragraph 1 of subsection 329 (1) of the *Act* for the property for the taxation year, and
- ii. the amount determined under paragraph 1 of subsection 332 (5) of the *Act* shall be increased under paragraph 2 of that subsection by the amount determined under the following, instead of the amount specified in paragraph 2 of that subsection:
- A. the amount on account of taxes levied for municipal and school purposes that the tenant would have been required to pay under the tenant's lease in the previous year but for the application of section 332 of the *Act* multiplied by 10 per cent as specified in subparagraph 2(2) i. A of this by-law if the amount determined under subparagraph 2(2) i. A of this by-law is the greatest of the amounts determined under paragraph 2(2) i. of this by-law.
 - B. the amount calculated under paragraph 1 of subsection 332(5) of the *Act* multiplied by 10 per cent as specified in subparagraph 2(2) i. B of this by-law, if the amount determined under subparagraph 2(2) i. B of this by-law is the greatest of the amounts determined under paragraph 2(2) i. of this by-law, or
 - C. the amount calculated under paragraph 1 of subsection 332(5) of the *Act* multiplied by 5 per cent as specified in subparagraph 2(2) i. C of this by-law if the amount determined under subparagraph 2(2) i. C of this by-law is the greatest of the amounts determined under paragraph 2(2) i. of this by-law.
- (3) The amount of the taxes for municipal and school purposes for a property for the taxation year shall be the amount of the uncapped taxes for the property for the year if the amount of the uncapped taxes exceeds the amount of the taxes for municipal and school purposes for the property for the taxation year as determined under section 329 of the *Act* by \$500 or a lesser amount.

- (4) The amount of the taxes for municipal and school purposes for a property for the taxation year shall be the amount of the uncapped taxes for the property for the year if the amount of the taxes for municipal and school purposes for the property for the taxation year as determined under section 330 of the *Act* exceeds the amount of the uncapped taxes by \$500 or a lesser amount.
3. The optional tools established by section 2 of this by-law shall be applied in the calculation of the amount of taxes for municipal and school purposes payable in respect of the applicable property classes, for the taxation year, in order to maximize the taxes imposed for properties that are capped and to maximize decreases for properties for which taxes are clawed-back.
4. For the purposes of sections 2 and 3, paragraphs 1-4 of section 329.1 of the *Act* apply in the calculation of the amount of taxes for municipal and school purposes in respect of the property in the commercial property classes for the taxation year.
5. Section 8.0.2 of Ontario Regulation 73/03 as amended applies within the Regional Municipality of Peel for the 2022 taxation year.
6. A property is exempt from the application of Part IX of the *Act* for the 2022 taxation year pursuant to Section 8.0.2 of Ontario Regulation 73/03 as amended, if the property meets any of the following conditions:
 - (1) The taxes for the property in the previous year were equal to its uncapped taxes for that year.
 - (2) As a result of Part IX of the *Act*, the taxes for the property in the previous year were lower than the property's uncapped taxes for that year, but in the current year, if Part IX of the *Act* applied, the property's taxes would be equal to its uncapped taxes, or a tax decrease for the property would be limited.
 - (3) A tax decrease for the property in the previous year was limited under Part IX of the *Act*, but in the current year, if Part IX of the *Act* applied, the property's taxes would be equal to its uncapped taxes, or a tax increase for the property would be limited.

- 7. Section 8.3 of Ontario Regulation 73/03 as amended applies within the Regional Municipality of Peel in respect of property in the commercial property classes where the requirements of Section 8.3 of Ontario Regulation 73/03 as amended are met for the 2022 taxation year.

READ THREE TIMES AND PASSED IN OPEN COUNCIL this 12th day of May, 2022.

Regional Clerk

Regional Chair