

CORPORATION OF THE MUNICIPALITY OF CHATHAM-KENT

BY-LAW NO -2023

**“A by-law to establish maximum tax increases for certain
Commercial properties for the 2023 taxation year”**

WHEREAS Part IX of the Municipal Act, 2001, places limitations on taxes for certain property classes.

AND WHEREAS property in the Commercial class apply to this part, said class referred to hereinafter as capped class.

AND WHEREAS under section 330(1) of the Municipal Act Council may establish a percentage by which tax decreases are limited for a taxation year to recover all or part of the revenues forgone by placing limitations on tax increases for certain property classes.

AND WHEREAS municipalities may pass a by-law to limit capping protection to only reassessment related changes prior to 2023 and exclude 2023 changes from the application of Part IX of the Act;

NOW THEREFORE the Council of the Corporation of the Municipality of Chatham-Kent hereby enacts the following:

1. All reassessment related tax increases and decreases be put in place for 2023 to a maximum increase, in the case of capped classes, utilize a limit of 10% of the previous year's capped taxes and 10% of the previous year's annualized CVA (uncapped) taxes of 10% as calculated in accordance with the Act.
2. That, after the application of the 10% in #1 above, those properties with a remaining tax cap of \$500 or less, have the tax cap removed.
3. Where a property has a tax reduction withheld of \$500 or less after the application of calculations established under #5 below, that the tax reduction withheld be reduced to zero.
4. That once a property pays tax based on its full CVA value, it is deemed ineligible for future capping protection. The Multi-Residential and Industrial properties have reached this limit and are now phased out of the capping program.
5. That Part IX of the Municipal Act, 2001 (limitation on taxes for certain property classes) does not now and hereafter does not apply to valuation changes for any property in the commercial class that could be subject to capping as a result of the increase or decrease in value effective January 1, 2018 for 2023 taxation.
6. That capping increases above 10% be financed first by limiting tax decreases to all properties within the same capped class and then from all property classes, as part of the general tax rate, through the application of a single percentage such as the effect on each property class and on the Municipality as a whole does not exceed \$50,000.
7. That Business Improvement Area levies are separate and apart from commercial and industrial levies and are not subject to the tax limits in this bylaw.
8. That any area-rated levy, local improvement, water, drainage or other charge being increased or decreased in 2023 shall be a budgetary change and not subject to the taxation limits in this bylaw.

This By-law shall come into force and take effect upon finally being passed.

FINALLY PASSED this 24th day of April, 2023.

SIGNED

SIGNED

MAYOR-Darrin Canniff

CLERK-Judy Smith