
City Council

Motion without Notice

MM52.37	ACTION			
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Property Tax Fairness for Disaster Sites - by Councillor Carroll, seconded by Councillor Bussin

** This Motion has been deemed urgent by the Chair. Council has added this Motion to the agenda for debate.*

Recommendations

Councillor Carroll, seconded by Councillor Bussin recommended that:

1. City Council direct the City Manager in consultation with the Deputy City Manager and Chief Financial Officer, to report on the feasibility and impacts of extending a tax-capping provisions to newly-constructed or renovated properties in cases where a previously “capped” property must be rebuilt or renovated as the result of a disaster, in which there has been no finding of criminal culpability; and where the new construction replaces and does not exceed the footprint, height and density of the original structure.

Summary

Property tax legislation should ensure fair tax treatment for all property owners.

Toronto introduced a business tax capping program to provide protection for properties during the transition to current value assessment (CVA) beginning in 1998.

In all cases, when properties that are destroyed or damaged beyond repair are replaced, they are subject to full CVA taxation levels and are ineligible for capping protection.

In cases where small commercial and retail properties are destroyed by a disaster, such as a fire, the reality of the significant tax increases a replacement building would be subject to often threatens the viability of redeveloping these properties with street-related commercial uses. The longer such sites remain vacant, the more severe the social and economic impacts facing our main streets and the broader neighbourhood become. This is why it is in the City’s interest to facilitate a timely and appropriate replacement of the lost fabric of this street.

Under section 292 of the *City of Toronto Act 2006 (the “Act”)*, Toronto and other municipalities have the option to provide a special level of capping protection to newly-constructed or renovated properties. Since 2005, the City of Toronto has opted out of this

provision and therefore all new construction in Toronto is taxed based on CVA.

(Submitted to City Council on August 25 and 26, 2010 as MM52.37)