MULTI-RESIDENTIAL PROPERTY TAXATION SUB-COMMITTEE
MINUTES
March 11, 2008
9:30 a.m.
Room 207

Present: Chair Councillor R. Powers,
Councillors B. McHattie, B. Bratina
A. Cranbury, T. Cooper, T. Greco, A. Pathak, D. Horwood, L.
Handanovic, D. Grover

Absent with regrets: L. Laviolette, S. Merulla

Also Present: J. Rinaldo, M. Di Santo, M. Gallagher

1. CALL TO ORDER

Chair Powers called the Meeting to order.

2. ADOPTION OF MINUTES

(Greco/Crawford)
Minutes of the March 10, 2008 be adopted as amended. CARRIED

On page 2 – Section 3.2 Breakdown on how taxes are calculated and
passed onto tenants through their rent

2.5% or less, not passed onto Renters to read 2.49%

3.1 Follow up Information

David Horwood provided a copy and highlighted areas of the
Rental Market Report of Hamilton and Brantford CMAs (summary
version)

Highlights included:
Definition of Residential (single/condo) and Multi-Residential
Tax Rates for Residential and Multi-Residential
How Tax Bills Are Calculated
Operating Expenses for Multi-Residential Properties
Landlord and Tenant – Rent Reductions and Tax Decreases and
how they are passed along

Joe Rinaldo provided an update on the following:
Apartment Vacancy Rates
Number of properties in new multi-residential property clas
Number of units in Multi-Residential Property Class
Cost to mail out tax notices to tenants
Current 2008 Budgetary Impact – expected March 25th Budget announcement

The sub-committee deliberated the following options:

1. Lowering the multi-res tax ratio to 2.00 over 5 years
   - Tax ratio reduced to 2.5920 in Year 1
   - Year 1 = $3.4M (4.8%) reduction to the MT class
     - Municipal Residential tax impact = 0.65%/year
     - Municipal Commercial/Industrial Tax Impact = 0.65%/year

2. Lowering the multi-res tax ratio to 1.00 over 5 years
   - Tax ratio reduced to 2.3920 in Year 1
   - Year 1 = $8.0M (11.3%) reduction to the MT class
     - Municipal Residential tax impact of 1.6%/year
     - Municipal Commercial/Industrial tax impact of 1.6%/year

3. Pass on only 50% of the budgetary increase to the multi-res class
   (similar to commercial/industrial)
   - Ratio would reduce from 2.74 to 2.68
   - $1.4M (1.9%) reduction to the MT class
     - Municipal Residential tax impact of 0.3%
     - Municipal Commercial/Industrial Tax Impact of 0.3%

4. Defer to 2009 (once full impact of reassessment is determined)
   - Maintain 2008 MT tax ratio at threshold of 2.74
   - Full impacts of 2009 reassessment are known
   - Impacts of area rating policy changes are known

Following the discussion, the subjoined motion was approved:

(McHattie/Cranbury)

1. That the Multi-Residential Tax Ratio be reduced to 1.00 over 10 years
   - Tax ratio reduced to 2.3920 in Year 1
   - Year 1 = $8.0M (11.3%) reduction to the MT class
     - Municipal Residential tax impact of 1.6%/year
     - Municipal Commercial/Industrial tax impact of 1.6%/year
2. That 50% of the budgetary increase be passed onto the Multi-Residential Class (similar to Commercial/Industrial)
   - Ratio would reduce from 2.74 to 2.68
   - $1.4M (1.9%) reduction to the MT class
   - Municipal Residential tax impact of 0.3%
   - Municipal Commercial/Industrial Tax Impact of 0.3%

3. That $1 Million of the $2.3 million allocated to the Business Tax Reduction be reallocated to a rent supplement program

4. That Council forward a letter to the Province requesting opportunities to adjust the property tax rebate program and to broaden delivery of program

5. That the City of Hamilton commission a report to review municipal services for tenants in Hamilton in comparison to services received by home owners (i.e. Property standards, garbage collection etc.)

6. That letters be sent to households as part of the educating of tenants to provide information on municipal services provided by the City Of Hamilton

7. That the Multi-Residential Property Taxation Sub-Committee reconvene in 2009 to evaluate the process and revisit this issue.

There being no further business, the meeting adjourned.

Respectfully submitted,

R. Powers
Chair