

## Report to Council

**Report Title:** MPAC Update Small Scale On-Farm Business Regulation

**Prepared By:** Trish Serratore, Chief Financial Officer

**Department:** Finance

**Date:** May 14, 2019

**Report Number:** FIN2019-16 **File Number:** C11FIN

**Attachments:** MPAC Letter – Review Completed: Small-scale on-farm business subclass

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### Recommendation:

That the Council of the Municipality of Brockton hereby receives Report Number FIN2019-16 – MPAC Update Small Scale On-Farm Business Regulation, prepared by Trish Serratore, Chief Financial Officer for information purposes.

### Report:

#### Background:

The Province of Ontario has introduced new optional subclasses for small-scale on-farm businesses and greater flexibility for municipalities to reduce business vacancy rebates and reduction programs. The Province will also be phasing out the education portion of the vacancy programs by 2020

#### Analysis:

##### **Small-Scale On-Farm Business Subclasses**

The new optional subclasses would create a 75% reduction on the first \$50,000 of assessment on qualifying business activities on farms. The Municipality of Brockton does not have any properties that would qualify at this time.

The County is responsible for opting in to the subclasses on behalf of all the lower tiers. The County is not recommending any new subclasses for 2019 and will review in 2020. Regardless of the municipality's decision to opt in, the Province will be offering a reduced education rate, therefore the class will be included in our tax rate by-law in the event that a property meets the qualifiers in the future.

##### **Business Vacancy Rebates and Reduction Programs**

Municipalities will have the opportunity to reduce the rebates for vacant commercial and industrial properties. Again, the County is responsible for establishing the rebate rates on behalf of all the lower tiers.

The current rebate rates are 30% for commercial and 35% for industrial and the County is not recommending making any changes for 2019. However, the Province is phasing out the education portion of the vacancy rebate, starting in 2019 therefore we will need to update our tax rate by-law to reflect the 50% phase out of the education tax rebate for the commercial vacant and industrial vacant classes.

The County of Bruce will continue to monitor options related to tax ratios and subclasses and make recommendations to County Council, with input from the lower tiers.

**Sustainability Checklist:**

What aspect of the Brockton Sustainable Strategic Plan does the content/recommendations in this report help advance?

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|---|-----|
| • Do the recommendations help move the Municipality closer to its Vision? | N/A |
| • Do the recommendations contribute to achieving Cultural Vibrancy?       | N/A |
| • Do the recommendations contribute to achieving Economic Prosperity?     | N/A |
| • Do the recommendations contribute to Environmental Integrity?           | N/A |
| • Do the recommendations contribute to the Social Equity?                 | N/A |

**Financial Impacts/Source of Funding:**

- Do the recommendations represent a sound financial investment from a sustainability perspective?  
N/A

There are no budget implications associated with this report.

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**Respectfully Submitted by:**



Trish Serratore, Chief Financial Officer

**Reviewed By:**



Sonya Watson, Chief Administrative Officer