

# THE CORPORATION OF THE CITY OF SAULT STE. MARIE

## BY-LAW NO. 2025-51

To End the Application of Part IX of the Municipal Act, 2001, S.O. c.25 to the Commercial Property Class and Adopt Optional Tools for the Purposes of Administering Limits for the Industrial Property Classes.

**WHEREAS** the Corporation of The City of Sault Ste. Marie (hereinafter referred to as “the Municipality”) may in accordance with s. 329.1 of the *Municipal Act, 2001*, S.O. 2001 c.25, as amended (hereinafter referred to as “the Act”), and *Ontario Regulation 73/03*, as made and amended under the Act, modify the provisions and limits set out in Part IX of the Act, with respect to the calculation of taxes for municipal and education purposes for properties in the Commercial and Industrial Property Classes;

**AND WHEREAS** this By-Law shall only apply to properties in the Broad Commercial and Industrial property classes to which Part IX of the Act applies;

**AND WHEREAS** for the purposes of this By-Law, all Commercial Property Classes and all Industrial Property Classes are deemed to form single property tax classes;

**AND WHEREAS** “uncapped taxes” means the taxes for municipal and education purposes that would be levied for the taxation year but for the application of Part IX of the Act;

**AND WHEREAS** “capped taxes” means the taxes for municipal and education purposes that would be levied for the taxation year as a result of the application of Part IX of the Act;

**AND WHEREAS** Section 8.2 of Ontario Regulation 73/03 as amended provides that a municipality may pass a by-law providing that Part IX of the Municipal Act, 2001 (limitation on taxes for certain property classes), shall not apply to any property in the Commercial tax class, nor to any property in the Industrial tax class if, in the previous taxation year, the taxes for each property in the Commercial tax class and Industrial tax class, as the case may be, were equal to the uncapped taxes for the property for the taxation year, as shown on the final tax bill for the taxation year, and a municipal council with tax policy responsibilities has adopted a by-law under this section that applies to the taxation year in which it is passed and to subsequent taxation years;

**AND WHEREAS** Council may pass a By-Law to apply any one or any combination of the following options to a Property Tax Class subject to Part IX of the Act:

- a) Set the annual cap of the previous year’s capped taxes at a maximum of 10% of the previous year’s capped taxes; and/or,
- b) Set an upper limit on annual increases at the greater of the amount calculated under (a) and up to 10% of the previous year’s annualized CVA tax; and/or,
- c) Establish a capping adjustment threshold of up to \$500 for increasing properties, decreasing properties or both, whereby no capping adjustments less than the threshold amount would be applied; and/or,
- d) Exempt properties from the capping calculation where the previous year’s capped taxes for the property were equal to the uncapped taxes for that year; and/or,

- e) Exempt properties from the capping calculation where the previous year's capped taxes were less than the previous year's CVA taxes, and the current year's capped taxes would otherwise be greater than the current years CVA taxes, or vice-versa.
- f) Remove classes from the application of Part IX of the Act where all properties within a class were taxed at the uncapped tax level last year.

**AND WHEREAS** Council for the Municipality has this authority, and has reviewed the provisions of subsection 329.1 of the Act and the provisions of Ontario Regulation 73/03, and hereby deems it necessary and appropriate to continue to adopt optional tools for the purpose of administering limits for the Industrial property tax class;

**AND WHEREAS** Ontario Regulation 73/03, provides that a municipality may pass a by-law, to phase out the application of Part IX of the *Municipal Act, 2001* to any or all Property Tax Classes it applies to, providing that the amount of taxes for municipal and education purposes for the previous taxation year under subsection 329 (1) of the Act were equal to or greater than 50 per cent of the uncapped taxes for all properties in that Property Tax Class for the taxation year, as shown on the final tax bill for the taxation;

**AND WHEREAS** the application of Part IX of the Act resulted in no capped or clawed back properties in the Commercial Property Classes of the Corporation 2024; meaning that all property taxes billed in the Commercial Property Class were equal to the uncapped taxes of each property;

**NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE CITY OF SAULT STE MARIE HEREBY ENACTS** as follows:

1. **THAT** the Commercial Property Tax Class has entered the fourth year of phase out from the application of Part IX of the Municipal Act, 2001 and the Industrial Property Tax Class has entered into the second year of phase out of Part IX of the Municipal Act, 2001.
2. **AND THAT** as all requirements of Ontario Regulation 102/16 have been met, Part IX of the Municipal Act, 2001 is deemed to no longer apply to any property in the Commercial Property Tax Class as defined in this By-law.
3. **THAT** paragraphs 1, 2, and 3, of subsection 329.1 (1) of the Act shall apply to the Industrial Property Classes for the 2025 taxation year.
4. **AND THAT**
  - (i) In determining the amount of taxes for municipal and education purposes for 2023 under s. 329(1) of the Act and the amount of the tenant's cap under s. 332(5) of the Act, the greater of the amounts determined under paragraphs a) and b) as set out below shall apply in determining the amount to be added under paragraph 2 of s. 329(1) of the Act, and the increasing amount under paragraph 2 of s. 332(5) of the Act:
    - (a) The percentage set out in s. 329(1)2 of the Act and s. 332(5)2 of the Act shall be ten per cent (10%) for Industrial Property Classes, and
    - (b) The amount of the uncapped taxes for the previous year multiplied by ten per cent (10%) for Industrial Property Classes;

- (ii) The amount of the taxes for municipal and education purposes for a property for a 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 education purposes for the property for the taxation year as determined under s. 329 of the Act, as modified under s. 329.1 of the Act and this By-Law, by five hundred dollars (\$500.00) or less for properties in the Industrial Classes.
  - (iii) The amount of the taxes for Municipal and education purposes for a property for a 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 education purposes for the property for the taxation year as determined under s. 330 of the Act, as modified under section s. 329.1 of the Act and this By-Law exceed the uncapped taxes by five hundred dollars (\$500.00) or less for properties in the Industrial Property Classes.
5. **AND THAT** paragraphs 1, 2, and 3, of s. 8.0.2 (2) of *Ontario Regulation 73/03* shall apply to the Industrial Property Classes for 2025.
6. **AND THAT** properties in the Industrial Property Classes that meet any of the following conditions shall be exempt from the capping calculations set out under Part IX of the Act for the 2025 taxation year:
- (i) The capped taxes for the property in the previous year were equal to its uncapped taxes for that year.
  - (ii) The capped taxes for the property in the previous year were lower than the property's uncapped taxes for that year, and the current year's capped taxes would be higher than the current year's uncapped taxes if Part IX were applied.
  - (iii) The capped taxes for the property in the previous year were higher than the property's uncapped taxes for that year, and the current year's capped taxes would be lower than the current year's uncapped taxes if Part IX were applied.
7. **AND THAT** the Commercial class entered into the fourth year of the phase out of the application and the Industrial class be entered into the second year of the phase out of Part IX of the *Municipal Act, 2001*.
8. **AND THAT** By-law 2024-49 is hereby repealed.
9. **AND THAT** this by-law shall be effective as of January 1<sup>st</sup>, 2025

**PASSED** in open Council this 29<sup>th</sup> day of April 2025.

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**MAYOR – MATTHEW SHOEMAKER**

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**CITY CLERK – RACHEL TYCZINSKI**