

Three regions want exemptions to cap law

By IRENE GENTLE

Special to The Champion

Halton wants to just say no when it comes to a new provincial property tax cap scheme.

Or maybe that would be oh, no.

Regional council is scrambling to avoid going back to the drawing board for the 1998 budget year after Finance Minister Ernie Eves announced a mandatory cap on tax increases for commercial/industrial properties in Ontario.

The capping was conceived as a means to help unprepared municipalities deal with tax hikes caused by current value assessment (CVA).

It is the seventh change in tax legislation this year alone.

If the legislation is passed it would increase regional taxes by \$2 million and spark a huge revision of area property tax bills.

After hours of debate Halton council voted unanimously to send a stiff message to the Province that they be exempt from a policy that calls for a 10 per cent tax cap in 1998, and 5 per cent for both 1999 and 2000.

Halton is one of three regions in Ontario petitioning for exemption from the legislation that they say will only add more confusion to an already perplexing year for taxpayers.

They are joined by Hamilton-Wentworth and Ottawa-Carleton.

All three regions used tools such as business rebates and phase-in programs to offset CVA triggered tax hikes.

If they are not exempt from mandatory capping, these regions will be forced to rework their financial game plans in the tenth month of the 1998 budget year.

It will also make Halton Region the bearer of bad news for many local businesses, warned Joe Rinaldo, Halton's commissioner of corporate services.

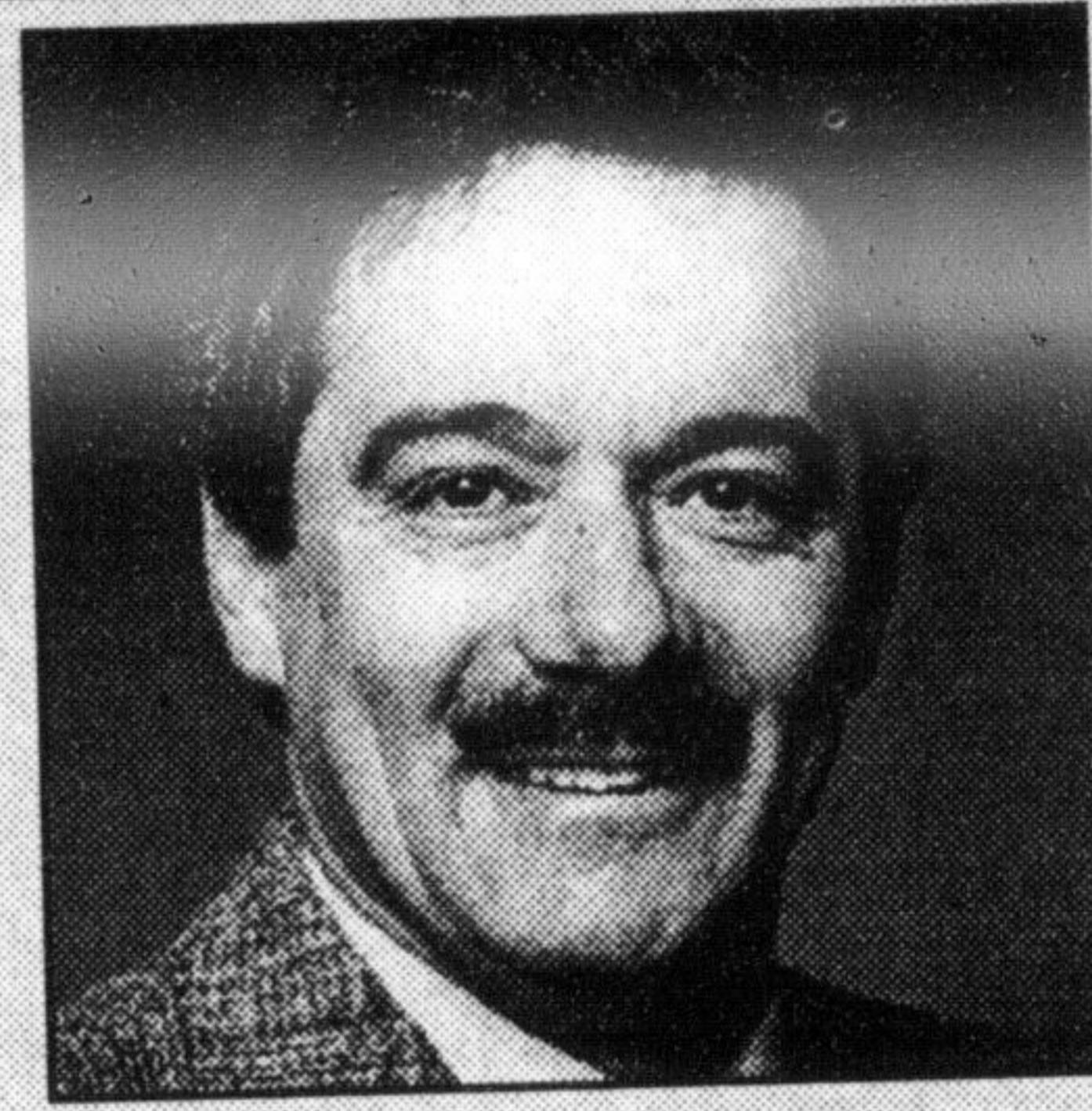
Mr. Rinaldo told council that if capping goes through, a revised bill will be sent out to more than 4,000 small businesses. Of them, 1,919 will receive a tax increase for a total of about \$9.2 million.

"In all my time in municipal government I have never had to do something of this magnitude," he warned. "I guarantee when we send increased tax bills to these 1,919 properties we're going to get calls."

Complicating the picture is that the Province seems to be backing off a previous agreement to supply the Region with \$1.1 million for business rebates. That's a policy Mr. Rinaldo hopes will change after Halton staff meet with the Province this week.

"In all my time in municipal government I have never had to do something of this magnitude"

— JOE RINALDO



"We'll be pushing for that \$1.1 million to be back on the table," he said.

There's more bad news from the regional viewpoint.

While previous provincial

tools such as rebates applied to businesses assessed at less than \$1 million, capping applies to all properties in the commercial/industrial sector.

That has opened another can

of worms for Halton in the form of government payment-in-lieu (PIL) properties.

PIL's are created out of a constitutional quirk that states no government property can be taxed by another government body. That means any provincial or federal business can't be made to pay municipal taxes. Despite this, as a courtesy they pay out in PILs.

Before capping it was business as usual in terms of PILs. If capping is not restricted to small businesses, government properties will be able to take advantage of 10 per cent tax caps.

In fact, if the legislation passes the federal government stands to save \$110 million in PIL payments throughout Ontario.

For Halton, lost PIL revenues will amount to about \$1.6 million. When the impact to member municipalities is rolled in, that figure will likely rise to \$3-4 million, said Mr. Rinaldo.

"Isn't it ironic that when you look at the proposed legislation that is supposed to help business, one of the biggest beneficiaries is the provincial caucus," commented Burlington Mayor Rob MacIsaac.

• see **BATTLING** on page 7

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NOTICE OF COMMUNITY MEETING

Kilbride Hydrogeological Study, Functional Road Network and North Halton Transportation Study

Community Meeting November 4, 1998

Kilbride Public School

7:30 p.m. - Update on Ground Water Study

8:15 p.m. - North Halton Transportation Study

9:00 p.m. - Traffic Calming Study

Halton Region, in conjunction with the area municipalities, has initiated a review of the role, function and service level of major roads in the Region. To date three public meetings have been held in Halton Hills, Milton and Oakville/Burlington to discuss specific transportation issues in North Halton. In addition to the three public meetings, three community meetings have taken place in Halton Hills and one is planned for Kilbride to address specific transportation issues and concerns within the community.

The community meeting scheduled for Kilbride is to discuss both the short term transportation issues including an update of the rehabilitation of Derry Road and a discussion of traffic calming options within the community of Kilbride. Public input is very important in the study process to define the transportation issues and possible solutions. Therefore, we are requesting your attendance at the November 4, 1998 community meeting to discuss the study findings to date and possible transportation solutions.

We would also like to take the opportunity, as a follow up to the 1997 Hydrogeological Study and the February 1998 public meeting, to present and discuss with you the results of the follow up groundwater sampling program.

Please contact the following individuals if you require additional information:

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