From:	Web NoReply
To:	City Council
Subject:	Jason Aebig - Tax Policy
Date:	Thursday, April 17, 2025 10:26:13 AM
Attachments:	Municipal Tax Policy - April 17 - City Council .pdf

--- Replies to this email will go to <u>@saskatoonchamber.com</u> ---

Submitted on Thursday, April 17, 2025 - 10:25

Submitted by user: Anonymous

Submitted values are:

I have read and understand the above statements.: Yes

I do not want my comments placed on a public agenda. They will be shared with members of Council through their online repository .: No

I only want my comments shared with the Mayor or my Ward Councillor.: No

Date: Thursday, April 17, 2025

To: Her Worship the Mayor and Members of City Council

First Name: Jason

Last Name: Aebig

Phone Number :

Email: @saskatoonchamber.com

I live outside of Saskatoon: No

Saskatoon Address and Ward: Address: 110-536 2nd Ave N

Ward: Ward 1

Name of the organization or agency you are representing (if applicable): Greater Saskatoon Chamber of Commerce

What do you wish to do ?: Submit Comments

What meeting do you wish to speak/submit comments ? (if known):: April 23 - City Council Meeting

What agenda item do you wish to comment on ?: 8.5.2

Comments:

Good afternoon, please find the attached letter sent on behalf of Greater Saskatoon Chamber of Commerce CEO, Jason Aebig, speaking to item 8.5.2. Thank you

Attachments:

• <u>Municipal Tax Policy - April 17 - City Council .pdf</u>389.14 KB

Will you be submitting a video to be vetted prior to council meeting?: No

The results of this submission may be viewed at:

https://www.saskatoon.ca/admin/structure/webform/manage/webform_398/submission/106418



April 17, 2025

Saskatoon City Council City Hall 222 3rd Ave North Saskatoon, SK S7K 0J5

Municipal Tax Policy

Dear Mayor Block and Councillors,

Until now, Saskatoon's approach to tax policy, guided by a benchmark property tax ratio, has reflected a clear commitment to fairness, economic logic, and long-term growth. This approach positioned our city as a place where businesses want to start, expand, and invest, ultimately strengthening our economy and tax base.

The rationale behind the benchmark ratio has always been sound: by keeping the commercial-to-residential tax ratio in check, we attract new businesses and support existing ones. In turn, this grows the number of tax-paying businesses, employees, and residents, broadening the tax base and easing the burden on everyone.

Moving away from the Saskatoon benchmark ratio is problematic. But it points to a bigger issue. Things like a tax ratio should be part of a principled and forward-thinking strategy rather than a technical adjustment when property owners are shocked by wild swings in our 4-year reassessment cycle.

We therefore urge City Council to initiate the development of a comprehensive, growthfocused Tax Policy as a touchstone for decision-making, grounded in principles of (1) tax fairness (2) business attraction (3) tax predictability, and (4) tax affordability that underpinned tax ratio discussions a decade ago.

By formalizing these principles in policy, City Council would send a clear signal to investors, entrepreneurs, and residents alike: Saskatoon is open for business, committed to long-term planning, and ready to grow. That's a message we're proud to stand behind and one we believe City leadership can champion as well.

As a starting point, the Chamber believes such a policy could include:

1. Tax Caps

By implementing a tax cap, the city could ensure predictable property tax increases and protect businesses from sudden spikes in their tax burdens. For example, Toronto limits annual commercial tax hikes to 10 per cent to prevent unmanageable increases. Adopting a similar approach in Saskatoon would provide stability for businesses while maintaining a competitive economic environment.



2. Phased-In Shifts

Saskatoon should adopt a formal policy to phase in tax shifts over 5 per cent resulting from regular budgeting and reassessments, ensuring businesses have the stability to plan and adapt. The city's Administration already pursues this strategy "as needed" but it should be enshrined as a standard practice to provide long-term predictability for businesses.

3. Small Business Sub-Class

Saskatoon should introduce a small business tax subclass to provide targeted relief for small businesses, following successful models in other Canadian cities such as Toronto, Halifax and Ottawa. Currently, the city's property tax structure does not differentiate between large industrial facilities and small local businesses. This policy would be especially beneficial to businesses in high-cost areas, such as main streets and commercial districts, where property assessments may not reflect business realities.

4. Transparent Levies

Currently, the commercial appeal contingency, alongside the residential and multiresidential contingencies, are designated separately, potentially placing an undue financial burden on certain sectors. To ensure fairness and transparency, these contingencies should be spread across the entire levy. By incorporating the commercial, residential, and multiresidential contingencies into the broader levy, the city can create a more balanced approach that does not disproportionately impact any one sector. This shift will also contribute to clearer and more transparent tax reporting, as it will prevent one ratio from being publicly available while subject to an additional, hidden levy.

5. Ratio 'Range of Fairness'

The property tax ratio should be enshrined as a core guiding principle of Saskatoon's tax policy, rather than being treated as a by-product of reassessment. In the late 1990s, Ontario implemented a comprehensive reform of its property tax system, which included the establishment of a detailed tax ratio structure and a fair allocation of property taxes between various classes of property. Ontario set ratio parameters, termed "Ranges of Fairness," in relation to the Residential class, ensuring tax equity across different property types.

Saskatoon could establish a similar 'range of fairness' for property tax ratios, mirroring the policy framework seen in Ontario. This would allow the city to absorb fluctuations due to reassessments while preventing arbitrary or politically motivated adjustments. The implementation of such a structured and transparent tax ratio will provide businesses with a fair, predictable tax environment that promotes long-term economic growth and stability.



260-536 2nd Ave. N. Saskatoon SK S7K 2C5 306.244.2151 chamber@saskatoonchamber.com

If you deem helpful, the Saskatoon Chamber would be pleased to convene business stakeholders and participate in the development of a Tax Policy. We share your desire to position Saskatoon among the most attractive cities in western Canada to live, work and build a business.

Sincerely,

Julint

Jason Aebig, CEO Greater Saskatoon Chamber of Commerce