

From the Office of the President & CEO

August 30, 2016

Hon. Kathleen Wynne
Premier of Ontario
Queen's Park
Toronto, Ontario
M7A 1A1

Dear Premier Wynne,

RE: Landfill Assessment Methodology Review

I am writing with regard to your decision to accept all recommendations from the Pricewaterhouse Coopers (PwC) report on landfill assessment methodology of April, 2016.

As you are aware, the Ontario Chamber of Commerce represents over 60,000 businesses across the province, including many in the waste management, heavy manufacturing, and real estate development sectors. As such, we have an interest in the valuation methodologies and policies of Ontario land, particularly as they relate to property tax structures. In order to promote and maintain economic growth, such taxes and any assessments related to them must remain predictable, fair, and transparent. Any changes to land valuation – especially those that impact the tax structure – must ensure that the legitimacy and equity of the system remain intact so that the larger business climate is not impacted negatively.

Our primary concerns with the recommendations are as follows:

- Mandatory data reporting without a right of appeal
- The creation of a new property tax class and ratios specific to landfills
- Lack of clarity (including a lack of evidence or analysis) as to how the recommended changes will be constructed and implemented, or the broader impact of their enactment.

We are in agreement with the Ontario Waste Management Association (OWMA), the Canadian Steel Producers Association, and numerous other industry associations and

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chambers of commerce that many of the recommendations put forth in this report are not in keeping with the guiding principles of the property assessment review and set a troubling precedent for all businesses operating in and looking to invest in Ontario.

Since 1967, commercial and industrial properties have been valued similarly, and are subject to shared tax classes. This ensures equitable administration. The recommendation to create a new property tax class exclusively for landfills reverses this, impacting the legitimacy and usefulness of the valuation methodology. No explanation is provided for the necessity of such a tax class, nor are any other jurisdictions cited as examples of such an arrangement.

Furthermore, the report suggests establishing tax range ratios based on what a municipality determines to be a “fair level”. Yet there is no definition of a “fair” level of taxation, nor any recommendations on how a municipality would go about determining fairness. As noted by the OWMA, this creates a political tool that could be used to ensure higher tax rates (and thus diminished economic viability) for certain properties to ensure that particular industries cannot be sited within municipal boundaries. This could have tremendous unintended consequences for the waste management industry, impacting everything from relationships with Michigan regulators to similar infrastructure like recycling and compost facilities, and transfer stations.

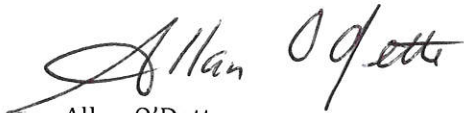
Although improved data collection is a useful tool for public policy planning, the means by which the report recommends achieving this is highly questionable. By making data collection mandatory while removing the right of appeal, the government is infringing on the right to due process. There has been no evidence given to support this course of action, nor was this aspect of the assessment methodology part of the larger review discussion. For these reasons, we urge the Ministry not to move forward with this recommendation.

We are particularly concerned today because promised consultations on these recommendations have yet to be scheduled, even as one of the recommendations accepted by the government is that the Target Tax Ratio Range be announced in time for implementation in the 2017 tax year. Although industry was consulted during the review period, a number of recommendations do not reflect the discussion and have not been accompanied by evidence or careful analysis.

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Therefore, the Ontario Chamber of Commerce strongly urges the government to conduct due diligence on these recommendations, alongside their partners in industry, to ensure that any changes to the landfill assessment methodology are equitable, economically viable, and do not create unintended and uncontrollable consequences for Ontario business.

Sincerely,



Allan O'Dette
President & CEO
Ontario Chamber of Commerce

CC:

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