

Authority: City Council Item CC21.2, as adopted by City of Toronto Council on May 28, 2020, and City of Toronto and Section 169-5.2 of City of Toronto Municipal Code Chapter 169, Officials, City

## **CITY OF TORONTO**

### **BY-LAW 401-2020**

#### **To amend City of Toronto Municipal Code Chapter 767, Taxation, Property Tax, to create a Property Tax Payment Deferral Program in response to the COVID-19 emergency.**

Whereas COVID-19 is a disease that is readily communicable from person to person, carries a risk of serious complications which can potentially result in death, and has been declared a pandemic by the World Health Organization; and

Whereas the COVID-19 pandemic has caused many residents and business owners in the City of Toronto to experience financial difficulties resulting from lost employment and the mandatory closing of businesses; and

Whereas City Council has previously approved an extension of certain property tax instalment due dates for the interim and final 2020 tax levies to provide some relief to property owners during the COVID pandemic; and

Whereas City Council has approved the creation of a Property Tax Payment Deferral Program to further assist business and residential property owners experiencing severe financial difficulties as a result of the COVID-19 pandemic allowing for deferred tax payments without incurring interest or penalties until November 30, 2020; and

Whereas it is necessary to amend City of Toronto Municipal Code Chapter 767, Taxation, Property Tax, to reflect the approved Program and to make a technical amendment to change a section number;

The Council of the City of Toronto enacts:

1. The City of Toronto Municipal Code Chapter 767, Taxation, Property Tax, is amended by renumbering subsection 767-7E(3) as 767-7F.
2. The City of Toronto Municipal Code Chapter 767, Taxation, Property Tax, is further amended by adding the following as subsection 767-7G:
  - G. (1) Authority is delegated to the Controller, and to the Controller's designate to:
    - (a) approve eligible applications made pursuant to Subsection G(4) in respect of eligible properties as defined by Subsection G(3); and
    - (b) waive penalties charged pursuant to Subsection A and interest charged pursuant to Subsection B in respect of the late payment of

taxes on property for which an application has been approved under (a) for the period of:

- (a) June 1, 2020 and November 30, 2020, if the application is received before July 31, 2020; and
  - (b) from the date of receipt of the application to November 30, 2020, if the application is received between July 31, 2020 and October 31, 2020.
- (2) The waiver of interest and penalties pursuant to Subsection G(1) ceases, and all interest and penalties are payable in full, if:
- (a) the taxes on the eligible property are not paid in full on or before November 30, 2020; or
  - (b) if the Controller is satisfied that the owner provided false or inaccurate information in the application made pursuant to Subsection G(4).
- (3) Property is eligible property for the purposes of Subsection G(1) if the following criteria is met:
- (a) the property is classified as:
    - [1] in the residential property class, and contains a residential structure; or
    - [2] in one of the following property classes, and has a 2020 assessed value of \$10 million or less:
      - (i) commercial general;
      - (ii) residual commercial;
      - (iii) industrial;
      - (iv) multi-residential; or
      - (v) new multi-residential
  - (b) the property taxes for the property are paid in full up to the end of March, 2020;
- (4) An application is an eligible application for the purposes of Subsection G(1) if the following is met:
- (a) the application is made in the form and manner prescribed by the Controller or the Controller's designate;

(b) the application is made by the property owner who is experiencing severe financial hardship as a result of the COVID-19 pandemic due to:

- [1] a prolonged suspension of pay or loss of employment;
- [2] extreme business revenue loss or business closure; or
- [3] a pending insolvency or bankruptcy; and

(c) the application is accompanied by one the following types of documentation in support of the application, to the satisfaction of the Controller or the Controller's designate:

[1] For residential property:

- (i) Documents that establish disruption of employment beginning in March 2020 or later such as a Record of Employment form, Notice of lay-off, or Notice of termination;
- (ii) Evidence of accepted application to receive benefits under a federal or provincial COVID-19-related relief programs, e.g., Canada Emergency Response Benefit (CERB); Emergency Leave, or similar programs;
- (iii) Documents that establish severely reduced household income for the period beginning March 1, 2020, as compared to a similar period in the immediately preceding year (such as pay or income statements, T4 forms, letter from employer); or
- (iv) Other documents to the satisfaction of the Controller or the Controller's designate.

[2] For all other property:

- (i) Documents that establish disruption of business beginning in March 2020 or later such as a Forced closure notice, Notice of lay-off provided to employees, or Notice of closure provided to stakeholders/patrons;
- (ii) Evidence of accepted application to receive benefits under a federal or provincial COVID-19-related relief programs, e.g., Canada Emergency

Commercial Rent Assistance (CECRA) program,  
other provincial business relief or similar programs;

- (iii) Documents that establish excessively reduced business income or profitability for the period beginning March 1, 2020, as compared to a similar period in the immediately preceding year (such as gross receipts, revenues from sales or operations, profit/loss statements, or evidence of defaulted rent payments); or
- (iv) Other documents to the satisfaction of the Controller or the Controller's designate.

Enacted and passed on May 28, 2020.

Frances Nunziata,  
Speaker

Ulli S. Watkiss,  
City Clerk

(Seal of the City)