

City Council

Notice of Motion

MM35.9	ACTION			Ward: All
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Supporting Small Businesses During the Pandemic by Eliminating Unfair Interest Payments - by Councillor Kristyn Wong-Tam, seconded by Councillor Brad Bradford

** Notice of this Motion has been given.*

** This Motion is subject to referral to the Executive Committee. A two-thirds vote is required to waive referral.*

Recommendations

Councillor Kristyn Wong-Tam, seconded by Councillor Brad Bradford, recommends that:

1. City Council direct the City Manager to review and report back to the September 30, 2021 meeting of City Council on the property tax deferral program implemented through a special by-law brought during COVID-19 to retroactively eliminate interest payments on late payments accumulated during the deferral period for approved applicants.

Summary

Small businesses are significant employers and contributors to the local, regional and national economies. Toronto small businesses have been financially devastated during the punishing COVID-19 lockdowns. As such their current operational and fiscal challenges are not due to any fault of their own. Many have been forced to lay off staff, reduce hours of operations and service offerings. Some businesses have been completely unable to re-open their doors since the Provincial state of emergency was originally declared on March 17, 2020.

Thousands of small business operators have drained their retirement accounts and personal savings while trying to keep their businesses afloat. Many more have gone into further debt keeping up with their fixed costs, such as rent, utilities and property taxes.

Although the City of Toronto offered a property tax deferral to businesses passed by City Council by way of a special by-law in 2020 as a recognition of pandemic hardship, that program was not extended the following year despite the pandemic still being with us. Recently, it has come to my attention that in 2021 the City is also charging high interest rates for late payment of property taxes, even if the 2020 property taxes are now paid in full.

Further to this, a specific business owner in Ward 13, the Oasis Aqualounge operating at 93 Carlton Street, who dutifully paid the 2020 deferred property taxes in full had her tax bill sent to a collections agency in order for the City of Toronto to collect approximately \$4500 in interest payments. She has rightfully raised this issue and is protesting the high-interest

payments charged on the approved deferral that the City gave her and other struggling businesses.

The City of Toronto should be supporting small businesses during the pandemic with a common sense approach without adding avoidable hardship and stress. This Motion strives to do this in a thoughtful and deliberate manner.

Background Information (City Council)

Member Motion MM35.9