



## REFERRAL OF ITEM BY CITY COUNCIL

### Extending Repayment Due Date for Eligible Properties from the 2020 Property Tax Deferral Program

|               |                  |
|---------------|------------------|
| <b>Date:</b>  | February 4, 2022 |
| <b>To:</b>    | Budget Committee |
| <b>From:</b>  | City Council     |
| <b>Wards:</b> | Ward: All        |

### City Council Decision

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City Council, on February 2 and 3, 2022, referred Item DM39.3 to the Budget Committee to be considered as part of the City's 2022 Budget Process, and requested the Chief Financial Officer and Treasurer to:

- a. conduct an analysis of the Item; and
- b. advise on any recommendations to:
  - i. retroactively change the eligibility and/or repayment requirements of the 2020 property tax deferral program; and/or
  - ii. waive the approved property tax deferral program provisions for individual businesses.

### Recommendations

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Councillor Kristyn Wong-Tam, seconded by Councillor Josh Matlow, recommends that:

1. City Council amend the City of Toronto Municipal Code Chapter 767, Taxation, Property Tax, to change the repayment due date for eligible properties approved for the 2020 COVID-19 Property Tax Payment Deferral Program from November 30, 2020 to June 30, 2021 by deleting the following Section 767-7G (2)(a):

(a) the taxes on the eligible property are not paid in full on or before November 30, 2020; or

and replacing it with the following new Section 767-7G (2)(a):

(a) the taxes on the eligible property for the 2020 taxation year are not paid in full on or before June 30, 2021; or

2. City Council authorize the introduction of the necessary Bills in Council to give effect to City Council's decision.

## Summary

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City Council adopted Item EX27.11 Summary of COVID-19 Property Tax Deferral Program at its meeting on November 9, 10 and 12, 2021.

The COVID-19 Property Tax Deferral Program was adopted by Council to provide financial support to residents and businesses that faced loss of income and revenues due to the provincial shutdown during the first wave of the pandemic. Property owners that applied and were approved for the program were eligible to defer property tax payments for the 2020 taxation year and the City would waive all interest and fees provided that the City received full payment of all taxes due on or before November 30, 2020.

Certain eligible properties that were unable to meet this repayment deadline are still facing many of the same financial pressures that they were last year when this program was implemented due to lock downs throughout the first half of 2021 and capacity limits that continue to be in place for some businesses. Most recently, the Province has paused the lifting of capacity limits in higher-risk settings including food and drink establishments with dance facilities such as night clubs and wedding receptions, strip clubs, sex clubs and bathhouses. It is for these residents and businesses that I ask Council to consider extending the payment due date to June 30, 2021 through a by-law amendment to provide the financial relief originally sought in applying for this program.

Staff have advised that 46 out of the 50 properties that did not meet the original repayment due date would benefit from extending the due date to June 30, 2021 as they have since paid their 2020 property taxes in full. Amounts waived would be applied as credits to the property tax account. The total amount of fees, interest and penalties that the City would be waiving as a result of this motion are summarized below. Amounts to be waived will be funded from the 2021 Non-Program Tax Deficiency account, with no impact on current or future year budgets.

| Account Type       | Number of Accounts | Total Penalty, Fees and Interest added as of November 30, 2020 |
|--------------------|--------------------|--|
| Residential        | 35                 | \$3,857  |
| Non-Residential    | 11                 | \$12,456   |
| <b>Grand Total</b> | <b>46</b>          | <b>\$16,313</b>  |

City Council on December 15, 16 and 17, 2021 re-opened Item EX27.11 only as it pertains to the repayment date for eligible properties.