

Casting a Wider Net: Updating the Eligibility Requirements for Property Tax, Water and Solid Waste Relief Programs

Date: March 7, 2023

To: Executive Committee

From: City Council

Wards: Ward: All

CITY COUNCIL DECISION

City Council on February 7 and 8, 2023, referred Motion MM3.20 to the Executive Committee for consideration.

RECOMMENDATIONS

Councillor James Pasternak, seconded by Councillor Anthony Perruzza, recommends that:

1. City Council request the Chief Financial Officer to report back to the City Council meeting on February 15, 2023 on the current status of the City of Toronto Tax, Water and Solid Waste Relief and Rebate programs and costs and implications of reforming such programs to increase eligibility. The Chief Financial Officer should "stress test" increasing household income eligibility for both the property tax increase cancellation (from \$46,000 to \$60,000) and property tax deferral programs from \$50,000 to \$60,000. In the case of Municipal Property Assessment Corporation evaluations for the tax increase cancellation program lowering the home value from \$975,000 to \$850,000. Criteria for the Water Rebate Program and the Solid Waste Rebate programs would remain the same as the deferral program.

SUMMARY

The City provides financial relief to eligible low income seniors and persons with disabilities through the property tax, water and solid waste relief programs. As Torontonians face a 5.5% property tax increase in the current budget proposal there is a new urgency to reform these relief programs to help those in need.

An applicant must apply annually and can select all available programs through one application. Each program has its own eligibility criteria; however, there are some requirements common among all programs including:

- Property tax and utility accounts must not be in arrears.
- Applicant must have owned or occupied the property as their principal residence for one year or more before August 31 of the year in which the application is made.
- Combined household income is based on the total income of all listed owners who live at the property, including spouses.
- Age requirements must be met by December 31 of the current tax year.
- Other criteria exist but are linked to receipt of various federal benefit programs.

As of June, 2022, the City's Property Tax, Water and Solid Waste Relief programs provide over \$6.2 million in relief to eligible low income seniors and persons with disabilities. This includes about \$3.8 million in property tax relief, and approximately \$1.2 million in water relief and \$1.2 million in solid waste relief and provided to over 7,000 households. According to a report to City Council in June, 2022, "These amounts are identified and budgeted for each year within the non-program tax deficiency account, and within the respective rate supported budgets for Toronto Water and Solid Waste Management Services, respectively."