

## Attachment-1

# **Municipal Tax Relief & Deferral Programs COVID-19 Specific and General: What are municipalities doing?**

February 8, 2021

Prepared for the exclusive use of the City of Guelph, its Council and staff.

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## **OVERVIEW**

City of Guelph staff requested MTAG PPC to prepare a Report investigating what options are available to Guelph for providing taxation relief and deferral programs to its ratepayers.

MTAG PPC started its analysis with a survey of its clients to determine what other jurisdictions and municipalities are offering to their taxpayers in the form of COVID-19 specific relief. Next, MTAG gathered data on what ongoing "general" programs municipalities have in place and their level of use. Finally, MTAG identified the cost impacts associated with these options and reviewed their pros and cons.

This report is presented in conjunction with MTAG PPC's other Report, dated February 3, 2021 which addressed the City's questions regarding the use of the Vacancy Rebates Program to provide COVID-19-related tax relief and the new, optional Small Business Property Tax Sub-class the Province introduced in November 2020.

## **BACKGROUND**

When the Province introduced Current Value Assessment (CVA) in the 1990s, it transferred responsibility for tax policy – the decision as to what proportion of tax responsibility should be borne by different types of properties – to municipalities.

Although tax policy can address the overall balance of tax liability among different property types within a municipality, it is an extremely blunt instrument. The setting of ratios and the distribution of properties into various classes and sub-classes is a quantitative process that does not allow for qualitative considerations such as whether the owner of the property is a charity, a veteran's organization, senior or disabled. To address these qualitative considerations the Province has provided municipalities with the authority to provide rebates, deferrals and exemptions to properties that would otherwise be subject to tax.

To qualify for these tax relief measures, specific criteria must be met. In some cases, the Province has established this criterion. In others, the decision as to what requirements must be met is a decision of the municipality. Regardless, the purpose of all these programs and policy options is to provide tax relief in the form of reductions or deferrals to properties that otherwise would not receive such consideration.

## DISCUSSION

### A) COVID-19 Specific Relief

Appendix “A” to this report provides a summary of the responses that MTAG PPC received to a survey regarding whether municipalities had provided relief and/or deferrals from paying taxes to property owners facing economic hardships as a result of the pandemic related closures and restrictions the Province has imposed. This survey revealed the following:

1. In 2020, 82 per cent of the municipalities surveyed offered short-term deferral programs. No municipalities forgave or refunded taxes assessed and payable
2. The opportunity to defer the payment of taxes was overwhelmingly offered to all property classes. When this opportunity was restricted, relief was only offered and available to specific Commercial sub-classes
3. To the extent tax systems would allow, relief consisted of waived penalties and the suspension of interest on unpaid amounts due and payable in 2020 only. Interest and penalty continued to apply to unpaid amounts from prior taxation years. Approximately two-thirds of municipalities also extended due dates
4. At the time of the survey, a majority of municipalities had yet to determine whether deferral programs would again be offered in 2021. This is because doing so is a political question that their councils had yet to consider. Regardless, if the decision to offer tax deferral again in 2021 had already been made, the 2021 program would generally mirror what had been offered in 2020.

#### *Analysis*

There are several key takeaways that can be obtained from this survey. First, that much like the City of Guelph, municipalities who commented on outstanding, unpaid taxes noted that on average these balances have not increased significantly in 2020. Instead, a majority of property owners in all Property Tax Classes have continued to pay their taxes on time and when due. This may be a function of owners paying their taxes through their mortgage company, the prevalence of municipal instalment tax payment plans or that a majority of property owners put a priority on keeping their taxes current. Unfortunately, it is not possible to discern from the survey the precise reasons for these observations.

Secondly, the vast majority of municipalities – 96 per cent – did not implement application-based programs. One municipality however opted to increase the amount of the Seniors and Disabled Rebates it provided. Regardless, the specific reasons for this overwhelming decision to not use application-based relief programs appears to be cost, complexity, timing and equity.

To initiate a new program, an application form and process would need to be designed, the circulation and submission routines created and an advertising campaign organized. Further, a multi-layered appeals process (to adjudicate rejected applications) involving council would need to be put in place and staff assigned to monitor the uptake, process the relief offered as well as to analyze the impact of the program. All of these steps, forms and processes would need to comply with Provincial statutes and be approved by the implementing municipality's council.

The final reason that application-based systems, other than those mandated by the Province, tend not to be used is that they are inherently inequitable. There is substantial administration and thus cost to such a program. The relief they provide is granted to only a select few types of properties or owners, while the burden of the relief provided must be borne by all other property types and owners. On the other hand, the universal programs put in place by the majority of municipalities offering pandemic relief, benefit all property owners equitably.

The final takeaway from this survey is that even though 82 per cent of municipalities who responded offered pandemic relief programs, the majority of taxpayers did not make use of the opportunity to obtain relief. This relative lack of take-up on COVID-19 specific tax deferral programs is very similar to what Ontario municipalities have in general experienced with their other, ongoing tax relief programs. This also means that despite the financial impact that the Provincial Lockdowns may have had on earnings, most property owners do not look to municipalities for property tax relief. When they require assistance or relief, they instead look to other levels of government provided them benefits and financial support.

## **B) Provincial COVID-19 Relief and Ongoing Tax Reduction Programs**

### *COVID-19 Specific Programs*

The Province of Ontario brought in several programs to address the impact of its forced closure of businesses in response to the current pandemic. These programs involved the provision of loans to businesses and a moratorium on the eviction of tenants.

The intent behind these programs was to allow businesses to meet ongoing expenses – including property taxes – in light of significantly reduced incomes and to minimize the risk of a tenant, whether an individual or business, being forced to vacate and move from a property due to the non-payment of rent. These programs were introduced during the “first wave” of the pandemic and they continue to be available from the Province, although there has also not been any significant uptake of them to date.

In the fall of 2020, the Province announced a new Ontario Small Business Support Grant with specific property tax and energy cost rebates. This program allows for business properties directly impacted by provincial lockdowns or control restrictions to receive rebates against property tax they have paid.

### *Ongoing Tax Reduction – Business Education Tax*

In its November 2020 “mini-budget”, the Province announced several initiatives that should they be enacted, will reduce the amount of property tax paid by businesses. While many of these initiatives affect municipalities and the Municipal Property Assessment Corporation (MPAC), two of them involve the Province directly.

The first was that the Province may provide matching grants in response to tax rate reductions granted by municipalities through the creation of the new, optional Small Business Property Sub-class. How much these “matching” grants could be, who they would be payable to (eligible small business property owners or municipalities) and what criteria the Province will use to determine when to make these payments is unknown. The answers to these questions are pending either the release of Regulations governing these grants or the Government’s next budget, due in spring 2021.

The second initiative is a reduction in the maximum rate of the Province’s Business Education Tax (BET). The maximum rate for the 2021 taxation year is now 0.88 per cent. This reduction applies in all Ontario municipalities, including Guelph. As a result, properties in the City’s subject Property Tax Classes (e.g. Broad Commercial and Broad Industrial) will see a permanent cumulative reduction of just under 8 million dollars in BET they must pay beginning in 2021 and going forward.

## **C) Ongoing Municipal Tax Reduction and Deferral Programs**

As stated previously, the purpose of Municipal Tax Relief Programs is to address anomalies that cannot otherwise be addressed through other tax policy measures. They can be divided into two categories, those that offer temporary relief and those that eliminate or reduce tax liability permanently.

### **Temporary Relief**

#### *Vacancy Rebates*

When the Province introduced CVA taxation in the 1990s, it eliminated the Business Occupancy Tax (BOT) program. The BOT was assessed against and payable by businesses whether they owned the property or leased it. With the advent of CVA taxation, the Province decided that only the owners of properties should be directly taxed. This meant that the burden for paying this tax became that of the property owner alone.

To compensate for this, the Province introduced a Vacancy Rebate Program. Initially, this program required owners to file an application based on the previous year's occupation of their property for the following year's assessment and taxation. It then transitioned to a program where an application was filed for a rebate after the vacancy occurred. Under this program, whenever a Commercial or Industrial property was vacant for an extended period, the owner of the property could apply for a rebate of a portion of the property tax that would otherwise have been payable.

This Program is now being phased out by most municipalities. This is in part because the relief it was intended to provide is now being delivered by MPAC as part of how it values Commercial and Industrial properties for assessment purposes. Additionally, the elimination of these rebates now puts more of an onus on the owner to ensure the property is not sitting vacant.

#### *Economic Development*

Despite the constraints of s. 106 of the Municipal Act, there are times when the Province will offer temporary relief from the need to pay property taxation.

A recent example was a Provincial program under which natural gas distribution companies could receive grants. These grants, equivalent to the amount of tax assessed and payable for 10 years, would be paid on new distribution network expansions and extensions. The idea, of course, was to entice distribution companies to initiate the distribution of natural gas to areas without service and which in the absence of this incentive, would not receive this service.

While the Province can initiate such programs and target them to specific industries, municipalities are more constrained. Municipalities can actually, should they so desire, also provide tax holidays and reductions such as that given by the Province to natural gas distribution companies. The difference is that in order to avoid contravening the prohibitions contained in s. 106, municipalities must offer such holidays to every property in a tax class or sub-class (which completely negates any benefit from doing so).

### *Seniors and Disabled Tax Deferral*

The Province dictates that municipalities must offer a tax deferral program for “seniors” and the disabled. The concept behind these programs is that such individuals usually live on fixed incomes and therefore have limited ability to afford and pay the higher tax bills that can result from inflationary increases in the assessed values of their properties.

While the precise aspects of these plans vary from municipality to municipality, they all function by allowing qualifying property owners to defer payment of that portion of their property tax payable that can be attributed to assessment increases. This reduces the property owner’s annual tax bill to – it is suggested – a level that the owner can better afford. However, the deferred taxes then accumulate until the ownership of the property changes, at which time they become payable.

Although these are mandated programs, in virtually all Ontario municipalities, the uptake has proven to be negligible. The apparent reason for this is that these programs only afford a partial deferral of taxation. There is also significant discomfort among eligible property owners in using them, as these individuals tend to be loath to incur the debt this deferral creates.

Regardless, there are equity issues with these deferral programs as well:

- Many seniors and disabled individuals cannot and do not own property. They rent their residences. This means that even if the deferral offered by them could be flowed from the property owners, they have no equity interest in their properties, and therefore have no means to repay the “balloon payment” that these deferral programs create. As a result, programs like this cannot offer any relief or benefit to these individuals.
- While it may be true that a significant portion of senior and most disabled individuals do live on fixed incomes, this is not a universal truth. Today, many seniors have considerable wealth and above average incomes. Therefore, in the absence of an income means test – which is NOT part of these mandated programs – the benefit derived from them can often go to individuals who least require it.



Finally, It should also be noted that although this a Provincially mandated program, responsibility for its administration rests solely with municipalities. In Guelph although this deferral program has been in place for many years, there are no property owners who have used it and no properties with a tax deferral balance.

*s. 107 Grants*

Municipalities have the authority to make a grant pursuant to s. 107 of the Municipal Act, providing that such payments do not violate the provisions of s. 106. Municipalities, such as the City of Ottawa, have used this authority to give grants to offset significant tax increases on a “one-time” basis to provide tax relief. The City of Ottawa provided this grant to residential property owners only.

While s. 107 grants can satisfy an immediate concern and give targeted taxpayers relief from significant tax increases, they are a tool fraught with political implications. They tend to be quite controversial and one-time payments can create precedents that lead to requests for further (or increased) payments. They can also be challenging to administrate (whom to pay, land sales and liens issues etc.). Because of this, most municipalities do not use this authority to provide tax relief.

## **Permanent Tax Relief**

### *Charitable and Veteran Organizations*

The provision of tax relief to these organizations has constantly evolved since the inception of CVA taxation. This has been due in part to the fact that MPAC’s valuation practices regarding them initially varied from district to district. Some properties were classed as Exempt. Some were deemed Residential, while others were classified as Commercial.

Initially these programs offered rebates of up to 40 per cent of the taxes payable on properties owned and occupied by Charities and Veteran organizations. The cost of this rebate was shared proportionately by all taxing authorities (upper-tier, lower-tier, single-tier, Province, etc.), and was designed to reduce the level of taxation on these properties to those of the Residential Property Class.

Regardless, over the past two decades, MPAC has generally moved to reclassify a majority of such eligible properties to the Residential Property Class, reducing both the need and demand for these rebates.

Nonetheless, this remains a Provincially mandated program, although properties owned and occupied by the primary organizations (Legions, veteran associations, etc.) are now classified by MPAC as exempt, reducing (or eliminating) the need to provide them rebates. The only discretion granted municipalities is that they are allowed to identify and include “similar” properties to receive these rebates and to set the tax rebate amounts at any rate between 40 and 100 percent.

The relief granted under these programs, which is a reduction for tax that would otherwise be payable, needs to be applied for on an annual basis by the qualifying organization. In Guelph, on an annual basis, approximately \$130,000 in municipal (City) taxation is refunded back to eligible charities through this program

*s.357 Applications – Cancellation, Reduction or Refund of Taxes*

This section of the Municipal Act is used to effect the cancellation, reduction or refund of taxes and is normally used in response to a property owner meeting specific requirements such as:

- A reduction in tax rate due to a reclassification that has not resulted in MPAC issuing a supplemental assessment notice
- The property has become vacant or is now deemed to “excess” land
- The property has become exempt from taxation
- A building or structure on the property has been destroyed and/or demolished
- A mobile home, which was assessed on the property, has been removed
- There has been a gross or manifest error in the calculation of taxes
- Renovation or repairs to the property prevented its normal use for at least 3 months

This section is also used to assess and provide relief due to “extreme poverty” or sickness. An application for such relief only covers one particular year and must be filed with the municipal treasurer before February 28th of the year following the one with respect to which the application is made.

The most significant issue with this program is that what qualifies as “extreme poverty” or sickness is not defined. Further, if a municipal council has delegated responsibility for the approval and processing of s. 357 applications related to extreme poverty or sickness to the Assessment Review Board (a common practice, of which this delegated authority is currently in place with the City of Guelph), it has no input to these decisions that are made on their “merit”. This means that it is the Board and not Council that decides whether the application will be approved.

Even when a municipal council has retained authority, this remains a problematic program. How should “extreme poverty” and sickness be defined? Should Statistics Canada’s Low

Income Cut Offs be used as a reference point? Or is another measure more appropriate. If the property owner has equity in the property, they have a capacity to ensure their tax obligations are met and as such not be deemed to be in “extreme poverty” regardless of the absence of income.

The other situations and circumstances that s. 357 addresses can all be adjudicated based on specific, documented and quantitative data. Refunds for “extreme poverty” and sickness cannot because these terms are qualitative. As a result, offering rebates or reductions under this program can be controversial as “need” and “merit” vary depending on who is making the assessment. All of which, including the requirement for annual applications after the fact, makes this program expensive and time consuming for municipalities to administer whether the Assessment Review Board is involved or not.

While there have been a couple of enquiries related to this program in Guelph over the past five years, as a result of staff working with the property owner to outline the steps and proof required to process an application and then assisting the property owners with payment arrangements, these applications were abandoned and not further pursued.

## **D) Other Indirect Tax Relief Options**

The preceding programs, authorities and tools all address the question of providing tax relief by creating adjustments and changes to the amount of tax to which a property would otherwise be subject. The following authorities work differently. These tools work indirectly, although they ultimately result in reductions and savings that would otherwise not be achieved.

### *Area Rating*

Area rating is a mechanism whereby a municipality can allocate costs to a specific sub-set of properties. Areas are usually defined geographically and depending on the nature of the service/cost it is intended to cover, can apply to all or only some property classes. Examples are:

- Public Transit
- Fire Services (where multiple providers are involved)
- Capital Construction (e.g. curbs, gutters, bridge rehabilitation)
- Sidewalk clearing/maintenance
- Street lighting

The idea is that the properties that directly benefit from the service pay its cost. The advantage of doing this is that it eliminates this charge from properties outside the area, meaning that the taxes on these other properties will be lower than they would have been in the absence of the area rate.

The disadvantage is increased administration and complexity with tax billing, and that often it is difficult to define/identify irrefutably which properties benefit from the area rate and therefore should be subject to it.

Area rating is not currently used in the City of Guelph due to the homogenized services provided.

### *Business Improvement Areas (BIAs)*

Business Improvement Areas are similar in operation to Area Rating. They allow a municipality to allocate costs to a specific sub-set of properties, again usually a geographically delineated commercial zone, hence the term "BIA". BIAs are further differentiated by the fact that the member businesses elect their own Board and often hire staff to administer their Area.

The idea is that the member businesses can control joint expenditures such as advertising, façade improvements and beautification of their Areas, with the intent of attracting more

customers. Because the BIA administers these expenditures, it also decides how to assess its costs against its members. The municipality collects these taxes – just like Area Rates – and distributes them back to the BIA.

Again, as with Area Rates, this eliminates the charging of BIA costs to any properties outside the “area”, meaning that their taxes will be lower than they would otherwise have been in the absence of the BIA. This, and the control and partial autonomy that BIA Boards give to its members, have made this a popular program that is prevalent in most municipalities across Ontario.

There is one BIA operating in Guelph, the Downtown Guelph Business Association, which includes approximately 110 commercial and industrial properties.

### *Tax Policy*

When discussing tax relief, this tends to occur outside of discussions relating to Tax Policy. This is usually for two reasons. First, Tax Policy is a broad tool does not always allow opportunities to address specific circumstances. Secondly, in a two-tier jurisdiction, the goals and objectives of individual lower-tier municipalities can be different from one another and the upper-tier, which has responsibility for setting tax policy for everyone.

Regardless, within the restrictions set by the Province, tax policy does provide limited opportunities for mitigating taxation levels. These opportunities are:

1. Tax Class Ratios
2. Property Sub-classes
3. Graduated Tax Rates
4. Revenue Neutral Ratios

Tax ratios determine the relative portion of tax that each Tax Class (or Sub-class) will pay in relationship to how they are assessed. The lower the ratio, the lower the amount of tax that is paid. The usefulness of this “tool” is limited by the fact that for the most part, ratios can only be reduced and not increased, and some ratios such as Residential are fixed. As a result, any relief granted must be provided to every property in the Class/Sub-class. Further, because taxation is a closed system, any reductions in one Class/Sub-class will increase taxes in others.

Property Sub-classes allow municipalities to create more granularity in the application of ratios. Sub-classes can be created in the Broad Commercial and Industrial Property Classes and allow municipalities to provide targeted tax reductions to sub-sets of the properties in these Broad property classes. Again, however, when reductions are granted to specific sets of properties

(e.g. Parking Lots), the other properties in the Broad Property Class must absorb the cost of doing so.

Graduated Tax Rates are a means whereby assessment up to a level defined by the municipality will be taxed at lower tax rate than the assessment above this level. Because of this, properties that are of lower value and therefore lower assessment, pay tax at a lower tax rate. Properties with assessed values above the limit determined for the Graduated Tax Rate, end up having two different tax rates applied against their assessment: A lower rate on the portion of the assessment up to the limit and a higher rate on any assessment that exceeds the limit.

These structures can be created with the Broad Commercial and Broad Industrial Tax Classes only. The average rate must also be the same as what the tax rate would have been for the entire Broad Property Class in the absence of graduation. As with Sub-classes, this is stipulated so that the cost of any tax reductions is only borne by properties in the Broad Property Class.

Revenue Neutral Ratios assist municipalities to maintain relative tax burden among property classes where changes in assessment values have changed their relative tax burden in relationship to or from the residential class. These shifts in taxation levels can be somewhat ameliorated through the setting of Revenue Neutral Ratios. The residential ratio is legislated at 1.0; farm at 0.25 (with Council option to reduce); managed forest at 0.25. Otherwise, municipalities may change ratios in the Commercial, Multi-residential or Industrial Property classes, thereby shifting taxes away from other classes, although these increases must be in accordance with strict prescriptive regulations.

### *Budget Setting*

As with Tax Policy, discussions regarding Tax Relief seldom consider that the decisions made by a municipality in the setting of its annual Budget has a significant impact on the level of taxation that property owners pay. Ratepayers tend to be more concerned about unanticipated increases in the amounts they are asked to pay, whereas small, predictable adjustments are more readily accepted.

The challenge that municipalities face is to identify and model as many of the future costs it will need to incur as possible. This in turn allows them to consider the funding strategies (building of Reserves, debenture or bank financing, grants from upper levels of government, user fees, etc.) that will best match anticipated expenditures while minimizing the impact on the amount of funding the municipality will need from its tax base.

## **CONCLUSION**

Property Taxation is a closed system. For every reduction or deferral in taxation provided, there must be either a corresponding increase in funding received from elsewhere or an equivalent reduction in spending. This is inherent in the legislative prohibition that prevents municipalities from incurring deficits. Property taxes also enjoy Priority Lien status. This means that taxation assessed against a property remains a liability against it until the debt is either paid by/for the property owner or forgiven by the municipality.

It is these two characteristics that define and characterize the Tax Relief and Deferral programs offered by municipalities in this Province. This is also, why the majority of such programs only involve the deferral of the responsibility to pay taxes levied and payable. Municipalities simply do not have access to sufficient alternate sources of revenue to allow them to forgive taxes.

Further, because the majority of these programs are for deferral rather than cancellation of the tax liability, property owners have generally chosen to ignore their availability. Why accept the partial deferral the Seniors and Disabled Tax Relief Program offers when all this does is create an increasing lien against your property? When property owners face short-term revenue deficiencies, why approach municipalities for relief when you can simply defer paying taxes for a time until the municipality takes action against you? As the owner of the property, you will always be given an opportunity to redeem and pay the taxes owning rather than loose it.

Matters get even messier when considering the circumstances of tenants and the impact of paying taxes through a mortgage company are factored in to the equation. Tax relief always goes to the property owner, so when someone is renting a property it is not possible for a municipality to provide relief directly to the renter. This means that a tenant in the same financial circumstances as a property owner may not receive the tax relief available to the property owner unless the property owner were to flow it through to them.

Similarly, when a property owner is paying their taxes through a mortgage company, it is again almost impossible to provide owners the opportunity to adjust the amount they must pay towards property taxes. This is because:

- a) They have a legal contract and the mortgage company determines what amounts they must pay
- b) It is in the mortgage company's best interests to maintain the taxes on the property they have financed in order to preserve their security priority, and;
- c) The mortgage company's first concern will be about its client's ability to pay the mortgage as opposed to municipal taxes.

The result of all these factors is that despite the general and longstanding availability of Municipal Tax Deferral or Relief programs, it has only been those that provided a reduction or

cancellation of the amount of tax that must be paid which have seen widespread use. Programs that offered deferrals only have largely been ignored with only limited uptake by qualifying property owners.

The City of Guelph already offers a variety of Tax Relief Programs, and its experience mirrors that of other Ontario municipalities. Should its Council be looking to implement other, additional measures? In the absence of new or increased abilities to generate alternate revenues from other sources that would allow the City to forgive as opposed to deferring the responsibility to pay property taxes, it is MTAG's opinion that the answer should be "NO". There is simply not the budget flexibility necessary for this to happen.

Assistance to meet an obligation to pay usually is the responsibility of Provincial and Federal governments, not municipalities. The Province of Ontario is offering several programs that will provide grants to businesses experiencing reduced revenues due to pandemic restrictions and closures and a specific program related to the rebate of property taxes for business forced to close based on provincial restrictions. The Federal government also has grant and loan programs available that businesses experiencing difficulties can access. All these programs are designed to help businesses – of all sizes – pay their ongoing financial obligations such as property taxes.

Similarly, there are programs available to individuals as well. The Federal Government is offering income replacement, through either relaxed qualification requirements for Employment Insurance (EI) payments or specific Pandemic-related programs. When filing personal annual Income Tax Returns, individuals have opportunities to claim property tax rebates for seniors and low-income individuals and families.

Ontario continues to offer its Disability Support Program (ODSP). It has also modified the claw-back restrictions of this program to increase the ability for recipients to retain income from other programs such as EI. The Province has also increased its payments to seniors.

In other words, both the Federal and Provincial Governments are providing support to both businesses and individuals to assist them in meeting their financial obligations – including property taxes – on an annual basis and specifically during COVID-19.

While not recommended, if it is council's wish to implement a property tax deferral program, council should be aware that the City would have to allocate appropriate staff resources based on the deferral program contemplated. This, and software limitations can be expected to present logistical and cost challenges against effectively implementing a deferral program, as such programs are inherently complex in nature and time consuming to administrate.



## RECOMMENDATIONS

That the City of Guelph should:

- 1) Continue to provide Provincially mandated Tax Relief/Deferral Programs **ONLY**.
- 2) When the next assessment cycle begins, explore the impact of setting Revenue Neutral Tax Ratios to determine whether the anticipated shifts in tax liability between Property Tax Classes has imposed a new, unfair burden on any Property Classes, and whether adjusting Class Ratios may allow for a better distribution of tax liability through the application of other Tax Policy Tools.

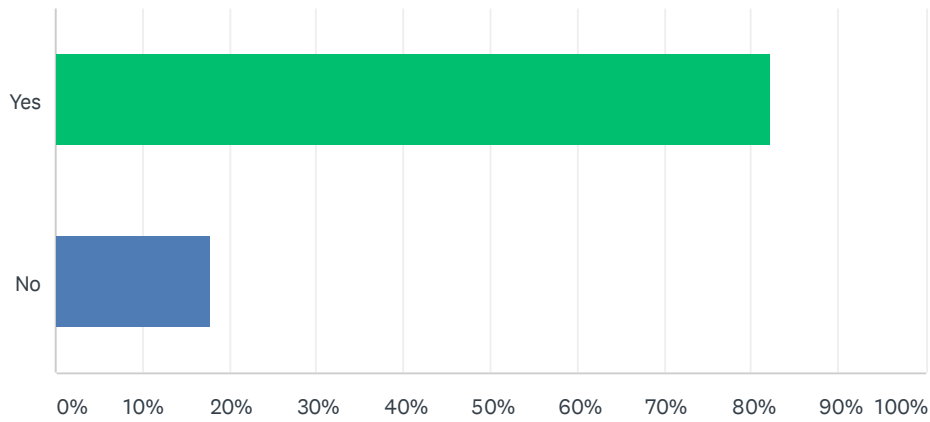
*John R Innes, BA(ACS), CPA, CA*  
Senior Consultant

*MTAG Paralegal Professional Corporation*

**Appendix "A"**

# Q1 Did your municipality offer COVID tax relief to property owners in 2020 (i.e. waive penalty and interest, delay due dates, etc)?

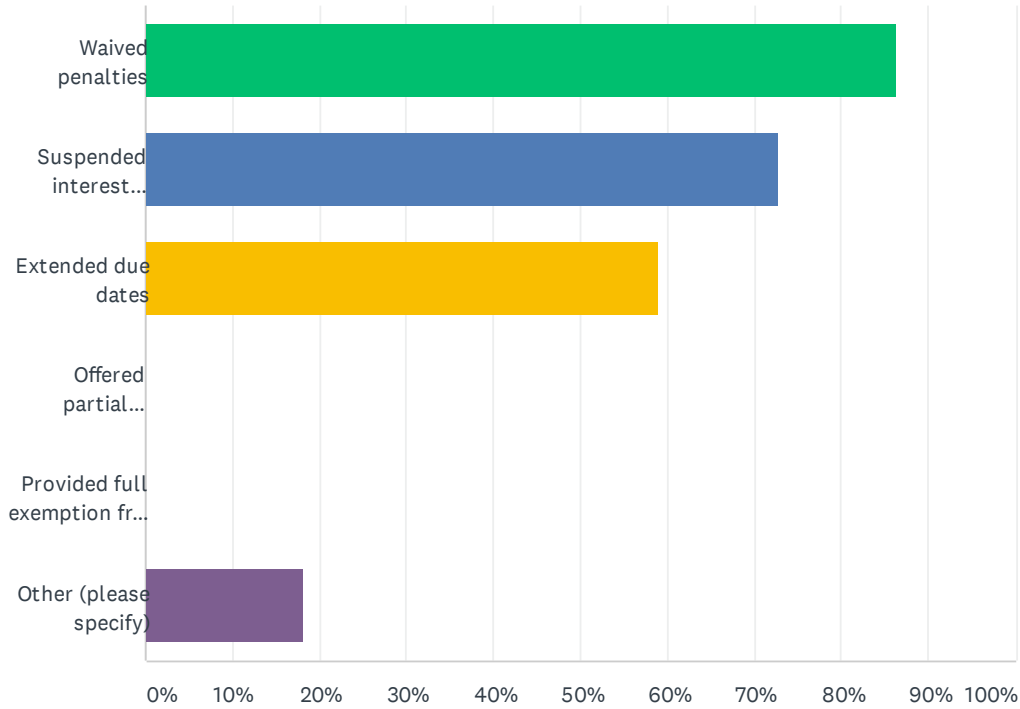
Answered: 28 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	82.14%	23
No	17.86%	5
TOTAL		28

## Q2 If relief was given in 2020, what form did it take? SELECT ALL that apply:

Answered: 22 Skipped: 6

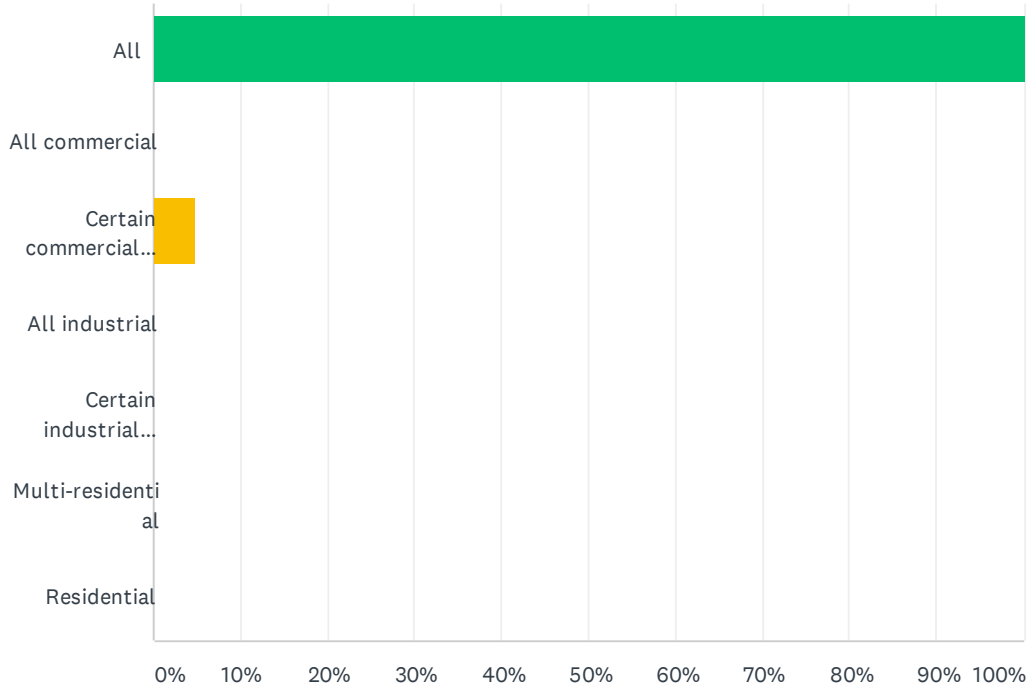


ANSWER CHOICES	RESPONSES
Waived penalties	86.36% 19
Suspended interest accrual	72.73% 16
Extended due dates	59.09% 13
Offered partial exemption from taxes due	0.00% 0
Provided full exemption from all taxes payable	0.00% 0
Other (please specify)	18.18% 4
Total Respondents: 22	

#	OTHER (PLEASE SPECIFY)	DATE
1	by the nature of waiving penalty and interest, it in essence extended the due dates for those that chose to not pay	1/21/2021 6:07 PM
2	small biz (<2M commercial assessment) + all hotels application based deferral program	1/14/2021 10:17 PM
3	Held Post-dated cheques for processing later (waived fee to pull these cheques) / Waived NSF fees from March 17th to July 31st	1/14/2021 5:14 PM
4	Increased Low-Income Seniors and Persons with Disabilities rebate	1/14/2021 4:44 PM

### Q3 Which Property Tax Classes were eligible to receive COVID tax relief? Select all that apply.

Answered: 21 Skipped: 7

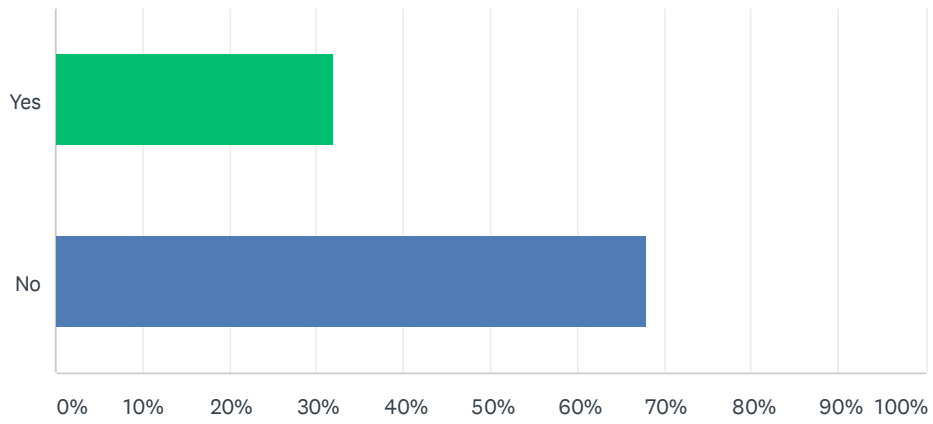


ANSWER CHOICES	RESPONSES	
All	100.00%	21
All commercial	0.00%	0
Certain commercial sub-classes (specify in comment box)	4.76%	1
All industrial	0.00%	0
Certain industrial sub-classes (specify in comment box)	0.00%	0
Multi-residential	0.00%	0
Residential	0.00%	0
Total Respondents: 21		

#	PLEASE SPECIFY COMMERCIAL OR INDUSTRIAL SUB-CLASS	DATE
1	All classes in current year, penalty and interest continues to apply on past due taxes from prior years.	1/15/2021 7:35 AM
2	billing was deferred by 2 months for all properties plus we offered a further application based deferral program extending the due date from Aug 30th to Nov 30th. Commercial properties assessed under 2 million plus all hotel/motel properties were eligible to apply if they were experiencing Covid related hardship.	1/14/2021 10:25 PM

### Q4 Does your municipality plan on offering COVID tax relief assistance to property owners in 2021?

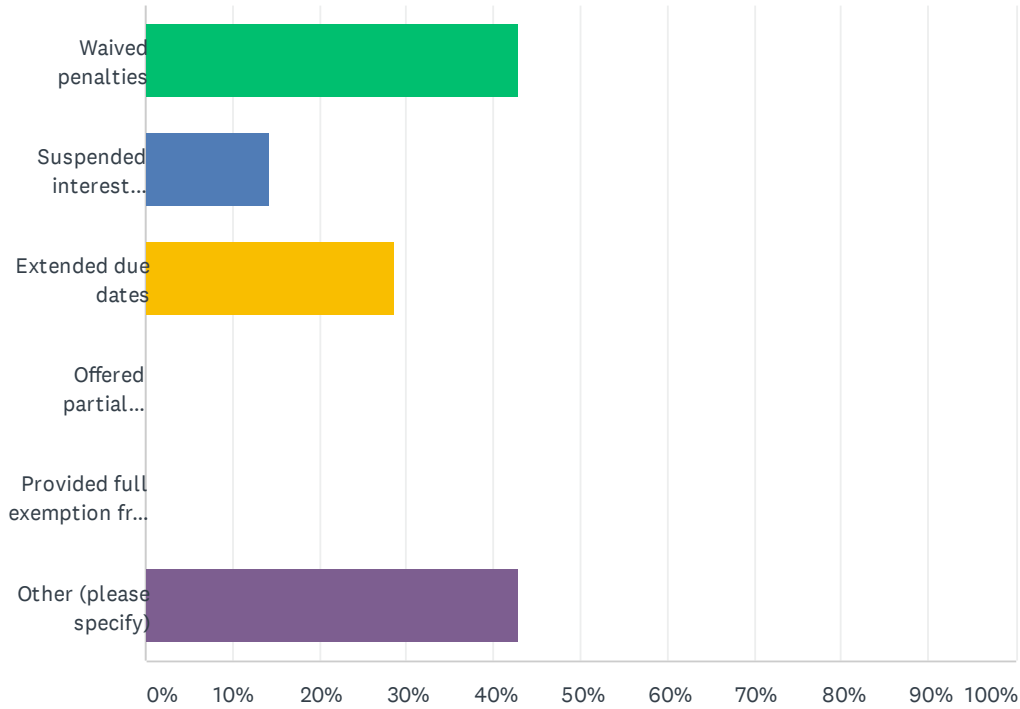
Answered: 25 Skipped: 3



ANSWER CHOICES	RESPONSES	
Yes	32.00%	8
No	68.00%	17
TOTAL		25

### Q5 If you plan on offering relief in 2021, what form do you think it will take? SELECT ALL that apply:

Answered: 7 Skipped: 21

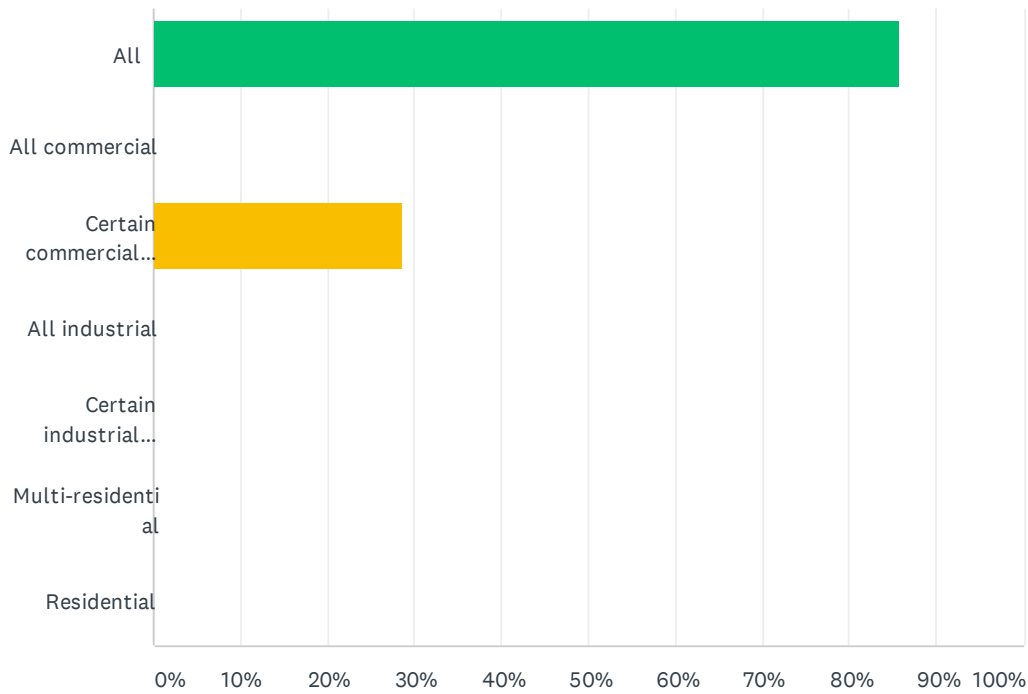


ANSWER CHOICES	RESPONSES
Waived penalties	42.86% 3
Suspended interest accrual	14.29% 1
Extended due dates	28.57% 2
Offered partial exemption from taxes due	0.00% 0
Provided full exemption from all taxes payable	0.00% 0
Other (please specify)	42.86% 3
Total Respondents: 7	

#	OTHER (PLEASE SPECIFY)	DATE
1	A lower than normal tax rate increase eg 1.75 per cent due to enhanced cost containment measures as well as strategically utilizing stabilization reserves	1/15/2021 10:48 AM
2	Deferring interim billing by one month, usually due end of Feb it will now be due the end of March plus we will be suggesting to Council to offer an application based deferral program extending due date from Mar 31st to Sept 30th. Commercial properties assessed under 2 million plus all hotel/motel properties will be eligible to apply if they are experiencing Covid related hardship.	1/14/2021 10:29 PM
3	Xyz	1/12/2021 3:59 PM

### Q6 Which Property Tax Classes will be eligible to receive COVID tax relief? SELECT ALL that apply:

Answered: 7 Skipped: 21



ANSWER CHOICES	RESPONSES
All	85.71% 6
All commercial	0.00% 0
Certain commercial sub-classes (specify in comment box)	28.57% 2
All industrial	0.00% 0
Certain industrial sub-classes (specify in comment box)	0.00% 0
Multi-residential	0.00% 0
Residential	0.00% 0
Total Respondents: 7	

#	PLEASE SPECIFY COMMERCIAL OR INDUSTRIAL SUB-CLASS	DATE
1	Commercial residual only	1/12/2021 3:59 PM