

Property tax relief eyed for those receiving assistance

Residents who owed outstanding property taxes at the end of 2019 and are looking for relief from penalties in light of COVID-19 might have to prove their financial hardship.

Council this week is set to approve a new schedule of property tax due dates and penalties.

Taking a close look at the matter at last week's General Committee meeting, local lawmakers gave a tentative green light for the final tax bills of September 15 and December 20, 2020, while continuing to charge the monthly rate of 1.25 per cent for penalties on taxes for the period of July 1 to December 31, 2020.

Going in to last week's meeting, however, Council faced a staff recommendation to ?approve a modest monthly rate of 0.25 per cent for penalties on taxes,? an idea which was nixed at the table.

?Aurora's normal practice for charging penalties on late payments of property tax follows that which is set out in the Municipal Act [which] allows municipalities to charge a penalty of up to 1.25 per cent per month on unpaid tax accounts,? said Town Treasurer Rachael Wainwright-van Kessel in her report to Council. ?This reflects the same rate that is charged to the Town from the school boards and the Region for late payment.

?COVID-19 has created an economic situation where more property owners may not have the ability to pay their taxes in the near term. By keeping the rate at the existing level, the Town would likely see a surplus on this budget item which would be unfair as it would create a significant burden for property owners as they work to catch up on their property taxes during the economic recovery. So, while this rate is recommended for normal practice, in normal economic conditions, a lower rate or waiver of penalties on taxes is recommended for the rest of 2020.?

Following this route, she added, would result in a negative budget variance of \$1.054 million.

?The main risk [of lowering the rate] being those that can afford to pay their taxes on the installment date may wait until the end of the year to pay,? she noted.

This was a caution that resonated with Committee as they voted to hold the 1.25 per cent interest in place, while giving the Treasurer and the Department of Finance discretion to make allowances on a case by case basis.

?I certainly support the rationale behind your recommendations, it is applied universally across the Town, [but] I am just wondering about those who were in arrears prior to the start of the year,? said Councillor Michael Thompson. ?I question whether or not they deserve these

kinds of relief measures given they were already owing [money to the Town] and may have been owing for quite some time.

?I fully support relief measures for those who have been deeply impacted by COVID-19, but we do have some in Town who are in arrears for whatever reason, long before this situation arose. I am not sure we should be providing them with relief. However, if Council agrees, I am fine to give some discretion to the director so that if there is a legitimate reason why they are in arrears and it is somehow tied to the current situation, she can use her discretion.?

Councillor Thompson's views received support from Councillors Harold Kim and Rachel Gilliland.

Speaking in favour of keeping the status quo and giving the Treasurer some leeway on a case-by-case basis, Councillor Kim said he was ?of the strong belief we do provide relief measures? for those struggling as a result of COVID-19, but, for anything further, residents should have to ?make their case.?

?I think by giving carte blanche, no penalties, or little to none?why wouldn't people want to pay at a later date?? he questioned. ?If people need some relief, they just approach the Town and we will be generous and compassionate on those grounds.?

Added Councillor Gilliland: ?I don't think this is a bad idea and I think that the delegated authority in this case would be something we should consider allowing staff to do.?

She likened the idea of residents' stating their case to individuals applying for the Canada Emergency Benefit (CERB).

This comparison helped ease the minds of some Council members who questioned whether it would be onerous for staff to not only develop a criteria for who might need relief but process the requests.

The Treasurer agreed there would need to be a framework for she and her team to evaluate each case, and suggested that ?need? be examined on whether the individual is receiving a ?supplement for hardship from one of the upper tiers of government? such as the CERB from the Feds as a benchmark.

?At the end of the day, these are taxpayer dollars and we're helping out those who need the help, but if we have accounts that have been in arrears for a considerable amount of [time], I don't necessarily feel the same need to help them because they haven't necessarily been paying their fair share to the Town,? concluded Councillor Thompson.

A final decision is expected to be ratified at Council this week.