MA-B4-1

Region of Peel
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REPORT
General Committee

DATE: April 7, 2010

REPORT TITLE: **RELIEF OF FINANCIAL HARDSHIP FOR LOW-INCOME SENIORS AND LOW-INCOME PERSONS WITH DISABILITIES**

FROM: Norma Trim, Chief Financial Officer and Commissioner of Corporate Services

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RECOMMENDATION

That the necessary by-law be presented to Regional Council to repeal by-laws 22-2004 and 68-2004 and establish a by-law to provide relief of financial hardship to low-income seniors and low-income persons with disabilities as required under section 319 of the *Municipal Act, 2001* and to provide for the Regional participation in the tax rebate programs provided by the City of Mississauga, the City of Brampton and the Town of Caledon under section 365 of the *Municipal Act, 2001*.

REPORT HIGHLIGHTS

- Regional Council approved the recommendation of the report of the Chief Financial Officer and Commissioner of Corporate Services (CFO), dated December 3, 2009, titled "Common Tax Rebate Program for Low-income Seniors and Low-income Disabled Persons" to provide $808,195 of funding in the 2010 Budget for enhanced relief of financial hardship to eligible low-income senior and disabled taxpayers under section 365 of the *Municipal Act, 2001* (hereafter referred to as the "*Act*").
- Regional staff were further directed to investigate whether the assistance to be provided under section 365 of the *Act* will also meet the requirements under section 319 of the *Act* and cancel the existing Regional tax deferral program.
- The Regional Solicitor has advised that relief of financial hardship to be provided under the proposed new Region of Peel by-law shall meet the mandatory Regional requirements under section 319 of the *Act* as well as enabling Regional participation in the lower-tier programs under section 365 of the *Act*.
- City of Brampton, City of Mississauga and Town of Caledon have passed by-laws to establish a Tax Rebate Program for Low-income Seniors and Low-income Persons with Disabilities and have given notice to the Region as required under section 365 of the *Act*.
- The interest free tax deferral balances accumulated under by-laws 22-2004 and 68-2004 at the City of Mississauga will be grandfathered until repaid.
- Current by-laws are to be repealed and replaced with a new by-law that provides relief of financial hardship to eligible taxpayers through the lower-tier tax rebate programs under section 365 of the *Act*.

April 7, 2010

RELIEF OF FINANCIAL HARDSHIP FOR LOW-INCOME SENIORS AND LOW-INCOME PERSONS WITH DISABILITIES

DISCUSSION

1. Background

On December 3, 2009 General Committee approved recommendation GC-221-2009 of the report of the CFO, dated November 16, 2009, titled "Common Tax Rebate Program for Low-income Seniors and Low-income Disabled Persons". The recommendation read as follows:

> "That the proposed Regional 2010 Non-Program Property Tax current budget include a provision of $808,195 to fund the Regional portion of the property tax rebate to be offered to eligible low-income seniors and low-income disabled persons under a new program to be offered by the Peel lower-tier municipalities under Section 365 of the *Municipal Act, 2001*;
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> And further, that Regional staff be directed to review whether the current Regional property tax increase deferral program for low-income seniors and low-income persons with disabilities under Section 319 of the *Municipal Act, 2001* can be replaced by the tax relief proposed herein."

The 2010 Budget which included the $808,195 provision for the Regional cost of the proposed common rebate program was passed by Regional Council on January 21, 2010. As previously reported to Council, Regional participation in the proposed common tax rebate program under section 365 of the *Act* will significantly enhance the assistance provided to low-income senior and low-income disabled taxpayers than provided by the existing Regional tax increase deferral program under section 319 of the *Act*.

The Regional Solicitor reviewed sections 319 and 365 of the *Act* and has opined that Regional participation in a common tax rebate program at the lower-tier level under section 365 of the *Act* will meet the mandatory Regional obligations under section 319 of the *Act*. Staff are therefore recommending that the by-laws passed under section 319 of the *Act* be repealed. The proposed by-law will offer Regional assistance to eligible low-income taxpayers under both section 319 and section 365 of the *Act*. Eligibility criteria to receive the assistance shall be defined in the by-laws passed by the lower-tier municipalities under section 365 of the *Act*.

2. Rebate Programs Under Section 365 of the Act Established

The City of Brampton passed by-law 57-2010, the City of Mississauga passed by-law 0056-2010 and the Town of Caledon passed by-law 2010-028 establishing a program to provide a four hundred dollar tax rebate to eligible low-income senior and low-income disabled taxpayers under section 365 of the *Act*. As required under section 365 of the *Act*, the by-laws give notice to the Region of Peel of the passage of the lower-tier by-law and establishment of the rebate programs. Additionally, the lower-tier by-laws define the eligibility criteria that must be met in order to receive financial assistance under the programs.

3. Existing Section 319 Tax Increase Deferrals to be Grandfathered

In the City of Mississauga there are seventy nine individual taxpayers participating in the Regional tax increase deferral program under section 319 of the *Act* (under by-laws 22-2004 and 68-2004) with a total outstanding deferral balance of $30,064.01. These funds will

continue to be outstanding after passage of the proposed by-law and will be secured with the existing liens until the outstanding balances are repaid to the City of Mississauga. This policy will be administered by the City of Mississauga and is consistent with Mississauga's policy on the outstanding loan balance under its $500 loan program which has been cancelled with the adoption of the rebate program.

CONCLUSION

The enactment of an authorizing by-law will allow the Region of Peel to participate in the new tax rebate program offered by the lower-tier municipalities under section 365 of the Act while also meeting the mandatory requirements to provide financial assistance to low-income senior and low-income disabled taxpayers under section 319 of the *Act*.

Norma Trim
Chief Financial Officer
and Commissioner of Corporate Services

Approved for Submission:

D. Szwarc, Chief Administrative Officer

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c. Legislative Services