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DATE: March 16, 2011

REPORT TITLE: **TOWN OF CALEDON'S REQUEST TO CHANGE THE RELIEF OF FINANCIAL HARDSHIP FOR LOW-INCOME SENIORS AND LOW-INCOME PERSONS WITH DISABILITIES PROGRAM CURRENTLY PROVIDED BY THE REGION**

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

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## RECOMMENDATION

That the request by the Town of Caledon for the Regional Municipality of Peel to enact a by-law to share in the increased funding of the Town of Caledon's "Grant Assistance to Eligible Property Owner's for Elderly Residents or Persons with Disabilities" be considered if or when the Cities of Mississauga and Brampton submit similar requests under the "Common Tax Rebate Program for Low-income Seniors and Low-income Disabled Persons" program.

### REPORT HIGHLIGHTS

- At its meeting on February 22, 2011, Town of Caledon Council passed By-law 2011-23 to increase the grant assistance offered to low-income seniors or low-income persons with disabilities and requested that Regional Council consider amending the existing Region of Peel By-law 2010-28 to share the funding of the additional assistance (\$50) offered.
- The existing common tax rebate program was introduced in the 2010 fiscal year after significant research, consultation and collaboration between the Region, the Cities of Mississauga and Brampton and the Town of Caledon.
- The cost of the program in 2010 was lower than budgeted, but is expected to grow significantly over the years as take-up is expected to increase.
- Potential impact of Caledon's request that the Region share in the cost of the additional assistance offered to eligible Caledon taxpayers is not significant (\$4,246), but it does raise concerns in regards to equity and consistency as Mississauga and Brampton have not amended their programs to increase the amount of assistance offered.

## DISCUSSION

### 1. Background

At its meeting on February 22, 2011, Town of Caledon Council passed By-law 2011-23, being a by-law to amend By-law 2010-28. The amending by-law increased the tax reduction amount provided to eligible low-income seniors or low-income persons with disabilities from \$400 to \$450 per year. As required under section 365 of the *Municipal Act, 2001* (the Act)

March 16, 2011

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the Town of Caledon has forwarded a request to Regional Council to consider enacting a similar by-law to share the cost of the additional \$50 tax rebate being provided to eligible taxpayers.

The tax relief program was introduced in the 2010 fiscal year after significant research, consultation and collaboration between the Region, the Cities of Mississauga and Brampton and the Town of Caledon. The program allows the Region to participate in the new tax rebate program offered by the lower tier municipalities under section 365 of the *Act*. At the inception of the program it was agreed by all Peel municipal councils that the tax reduction provided to eligible taxpayers would be \$400 per year. The Regional share of program costs is funded based on the percentage of Regional taxes in proportion to total taxes in each lower tier municipality. The level of assistance offered is an improvement over the previous \$300 rebate program offered by the City of Brampton and the Town of Caledon and represented a significant new commitment by the City of Mississauga which had previously offered an annual interest free loan to eligible taxpayers. Additionally, it was a significant new program at the Region of Peel which had previously only offered an interest free tax deferral of any year over year amount of tax increase to eligible taxpayers as required under section 319 of the *Act* (i.e. mandatory program).

**2. Findings**

**a) Regional Cost of the Program – 2010 Budget vs. Actual and 2011**

The cost of the program in 2010 was significantly lower than budget as program take-up was slower than anticipated in Mississauga. This is due to the fact that this was a new program in Mississauga and was introduced during the year. Mississauga staff is expecting take-up growth to ramp up quickly as the City will begin to advertise the program in 2011 and such promotion is anticipated to result in greater awareness and interest in the community. The following table provides the Regional cost of the program in 2010 as well as the 2011 Budget estimates (based on input provided by City/Town staff). The Regional portion represents 44 per cent of estimated total program costs with 33 per cent funded by the lower tier municipalities and 23 per cent funded by the provincial government on behalf of school boards.

	<u>Budget</u>	<u>2010 Actual</u>	<u>Variance</u>	<u>2011 Budget</u>
<b>Applicants</b>				
City of Mississauga	2,750	247	(2,503)	2,750
City of Brampton	1,595	1,091	(504)	1,595
Town of Caledon	<u>215</u>	<u>193</u>	<u>(22)</u>	<u>215</u>
Total	<u>4,560</u>	<u>1,531</u>	<u>(3,029)</u>	<u>4,560</u>
<b>Cost</b>				
City of Mississauga	\$517,000	\$46,651	(\$470,349)	\$514,900
City of Brampton	256,795	191,029	(65,766)	254,000
Town of Caledon	<u>34,400</u>	<u>26,740</u>	<u>(7,660)</u>	<u>31,600</u>
Total	<u>\$808,195</u>	<u>\$264,420</u>	<u>(\$543,775)</u>	<u>\$800,500</u>

March 16, 2011

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**b) Caledon's Request for Increased Regional Program Funding**

Caledon's decision to increase the tax rebate offered from \$400 to \$450 per eligible taxpayer has the impact of increasing the program cost in Caledon by \$10,750 (215 applicants x \$50). This amount is estimated to be comprised of a Town of Caledon share of \$3,827, an Education share of \$2,677 and a Region of Peel share of \$4,246 (based on the 2010 shares of the residential property class tax rate). Passage of Caledon By-law 2011-23 means that the education cost portion is automatically shared by the school boards. Although, the incremental Regional portion is not a significant increase to the overall Regional program cost, its funding must come from Regional taxpayers in the City of Mississauga, the City of Brampton and the Town of Caledon. This means that the incremental cost of \$4,246 would require funding of \$2,630 from Regional taxpayers in Mississauga, \$1,365 from Regional taxpayers in Brampton and \$251 from Regional taxpayers in Caledon. This raises a concern about equity of the program as it was introduced in 2010 as a "common tax rebate program" and Mississauga and Brampton have not sought to amend their tax relief programs. The Region of Peel has always provided a consistent level of tax relief to eligible taxpayers regardless of their location in its property tax relief programs (i.e. Tax Relief for Eligible Charities and the former Tax Deferral for Low Income Seniors and Low Income Persons with Disabilities). Regional staff considers it prudent to monitor the performance of the rebate program (i.e. growth in number of applications) over the next few years and assess, in concert with lower tier staff, prior to determining whether revising the tax assistance offered is advisable.

**CONCLUSION**

In order to maintain the principle of equity, staff are recommending that the Town of Caledon's request for the Region of Peel to enact a Regional by-law, as required under section 365 of the *Municipal Act*, for the Region to share in funding the incremental cost to Caledon's tax relief program should not be supported. The request should be reconsidered if or when the Cities of Mississauga and Brampton make similar requests to enhance their program benefits.

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March 16, 2011

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Norma Trim  
Chief Financial Officer  
and Commissioner of Corporate Services

**Approved for Submission:**



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D. Szwarc, Chief Administrative Officer

*For further information regarding this report, please contact Dave Bingham at extension 4292 or via email at [binghamd@peelregion.ca](mailto:binghamd@peelregion.ca)*

*Authored By: Jim Alpous*

c. Legislative Services

MA-BZ-S



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SENT BY FAX 905-791-1693

March 10, 2011

Norma Trim, Chief Financial Officer and Treasurer and Commissioner of Corporate Services  
 Carol Reid, Regional Clerk  
 Region of Peel  
 10 Peel Centre Drive  
 Brampton, Ontario  
 L6T 4B9

**RE: Grant Assistance to Eligible Property Owners for Elderly Residents or Persons with Disabilities**

Council at its meeting held on the 22<sup>nd</sup> day of February, 2011 passed By-law 2011-023, being a By-law to amend By-law 2010-028.

The amending By-law increases the tax reduction amount from \$400.00 to \$450.00 against real property taxes imposed by the Town for eligible property owners as outlined in the By-law. In accordance with 365(2) of the *Municipal Act*, Caledon Council respectfully requests Regional Council to consider passing a By-law to increase the tax reduction amount.

A copy of By-law 2010-028 and amending By-law 2011-023 is enclosed.

Yours truly,

Karen Landry  
 Director/Town Clerk  
 e-mail: [karen.landry@caledon.ca](mailto:karen.landry@caledon.ca)

Encl.

RECEIVED  
 MAR 10 2011

REGION OF PEEL  
 CLERKS DEPT.

MA-B2-6

THE CORPORATION OF THE TOWN OF CALEDON

BY-LAW NO. 2011-023


A by-law to amend By-law 2010-028  
to increase the amount of tax reduction  
against real property taxes

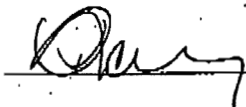
WHEREAS the Council of The Corporation of the Town of Caledon deems it desirable and in the public interest to increase the amount of the tax reduction against real property taxes for property owners whose taxes are unduly burdensome and to amend By-law 2010-028;

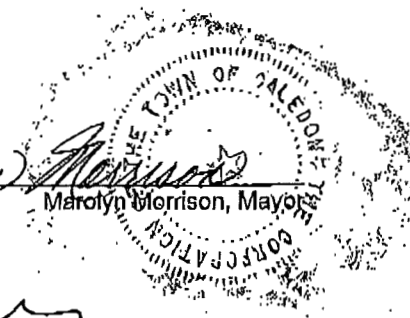
NOW THEREFORE the Council of The Corporation of the Town of Caledon ENACTS AS FOLLOWS:

1. By-law 2010-028 is hereby amended by deleting from Section 1 the words "Four Hundred Dollars (\$400.00)" and replacing them with the words "Four Hundred Fifty Dollars (\$450.00)".
2. This by-law becomes effective on January 1, 2011.

READ THREE TIMES AND  
FINALLY PASSED IN OPEN COUNCIL  
THIS 22<sup>nd</sup> DAY OF FEBRUARY 2011

  
Marilyn Morrison, Mayor

  
Karen Landry, Clerk



MA-B2-7

**THE CORPORATION OF THE TOWN OF CALEDON**

**BY-LAW NUMBER 2010-028**

A by-law to grant assistance to eligible property owners who are elderly residents or persons with disabilities and to repeal By-law 92-100 and By-law 2009-71

**WHEREAS** subsection 365(1) of the *Municipal Act, 2001*, S.O., c. 25, as amended (hereinafter called "the Act"), authorizes a local municipality to pass a by-law to provide for the cancellation, reduction or refund of taxes for eligible property owners whose taxes are considered by the Council to be unduly burdensome, as defined in the by-law;

**AND WHEREAS** the Council of The Corporation of the Town of Caledon shall give notice to the Regional Municipality of Peel in accordance with subsection 365(2) of the Act, of the fact that it has passed a by-law in accordance with subsection 365(1) of the Act;

**AND WHEREAS** the Council of The Corporation of the Town of Caledon deems it desirable and in the public interest to enact such a by-law;

**NOW THEREFORE** the Council of The Corporation of the Town of Caledon **ENACTS AS FOLLOWS:**

**DEFINITIONS**

"owner" means a person assessed as the owner of residential real property situate in the municipality of the Town of Caledon and includes an owner within the meaning of the *Condominium Act*;

"personal residence" means the residence ordinarily inhabited by the owner;

"spouse" means a person

- (1) to whom the person is married, or
- (2) with whom the person is living outside marriage in a conjugal relationship, if the two persons,
  - (i) have cohabited for at least five years,
  - (ii) are together the parents of a child, or
  - (iii) have together entered into a cohabitation agreement under section 53 of the *Family Law Act*;

"Town" means The Corporation of the Town of Caledon;

"Treasurer" means the Treasurer of The Corporation of the Town of Caledon;

"unduly burdensome" means either

- (1) such owner or the spouse of such owner or both who has or have attained the age of sixty-five (65) years; and such owner or the spouse of such owner or both is or are receiving a monthly guaranteed income supplement under Part II of the *Old Age Security Act (Canada)*; or
- (2) such owner is a person with a disability and in receipt of benefits under the *Ontario Disabilities Support Program Act (ODSPA)*.

**ASSISTANCE**

- 1. The Treasurer is hereby authorized and directed to allow owners of residential real property located in the Town of Caledon a tax reduction of Four Hundred Dollars (\$400.00) against the real property taxes imposed by the Town for such real property for property owners whose taxes are unduly burdensome provided that

MA-B2-8

- (a) such owner or the spouse of such owner or both occupies or occupy the property in respect of which real property taxes are imposed as his, her or their personal residence;
  - (b) such owner or the spouse of such owner or both has or have been assessed as the owner of residential property in the Town for a period of not less than five years immediately preceding the date of application for the tax reduction;
  - (c) such owner has filed with the Treasurer an application form, with a declaration of qualification, by the 30<sup>th</sup> day of April in the year for which assistance is requested.
2. No tax reduction shall be allowed under paragraph 1 to an owner in respect of more residential property than one single family dwelling unit in any year.
  3. Tax reductions provided under this by-law shall not be pro-rated.
  4. Tax reductions provided under this by-law will not be transferable to estates of deceased owners.
  5. Should any section, clause or provision of this by-law be declared invalid by a court of competent jurisdiction, the same shall not affect the validity of the by-law as a whole or any part thereof, other than the part which was declared to be invalid.
  6. By-law 92-100 and By-law 2009-71 are hereby repealed.
  7. This by-law becomes effective on January 1, 2010.

READ THREE TIMES AND FINALLY

PASSED IN OPEN COUNCIL

THIS 2<sup>nd</sup> DAY OF MARCH 2010.

  
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 Marilyn Morrison, Mayor

  
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 Karen Landry, Clerk

