



Town of East Gwillimbury

MEMORANDUM

To: Council

From: Warren Marshall, Director of Finance/Deputy Treasurer

CC: COVID-19 Control Group

Date: April 21, 2020

Subject: Financial Relief on Property Tax and Water Utility Bills - Update

This memo provides an update on the relief that is proposed for residents and businesses regarding the payment of property tax installments and water utility bills.

Approximately \$40 million of tax installment payments are due to the Province and the Region in 2020

The Town collects taxes from property owners on behalf of York Region and the Province, as well as for the Town. The Town must remit the taxes collected to the Region and the Province in scheduled installments. For 2020, the Town is expected to collect and remit over \$40 million in property taxes to the Region and the Province.

Tax remittance deferral programs by the Province and the Region would significantly help the Town's cash flow requirements and make it easier for the Town to provide financial relief to residents and businesses. The Province has announced a 90 day deferral of the June 30 and September 30 education property tax remittances for municipalities. The scheduled December tax remittance date remains unchanged.

Local municipalities have provided property tax and water bill relief to residents and businesses

On April 7, 2020, Council received a memo summarizing measures taken by local municipalities to provide relief on property tax and water bill payments. All the local municipalities provided relief by waiving interest on overdue amounts for a period of time ranging from 30 days to the end of the year.

The Town approved the waiving of interest and penalties on tax and water bills for 90 days

At the April 7 meeting, Council approved the waiving of interest on outstanding property tax and water bills for 90 days, until July 31. An amending by-law to enact this waiver

has been drafted for Council approval. Staff was directed report back once the Region approved a position on providing tax installment relief to the local municipalities.

The Region proposed waiving interest on each tax installment payment for 90 days

On April 16, 2020, Regional staff tabled a report to their Committee of the Whole that recommended waiving interest charges on each tax installment due from the local municipalities for a 90 day period. Municipalities would be expected to remit taxes they have collected on the installment dates, however, interest would not be incurred on any outstanding amount for an additional 90 days. This would have the following impact on the Town’s tax remittances.

2020 Regional Property Tax Installments to be Remitted by the Town

	Installment Amount	Installment Date	Interest Waived on Outstanding Balance Until
Interim Tax Installment	\$6.2 M	April 30, 2020	July 29, 2020
Interim Tax Installment	\$6.2 M	June 30, 2020	September 28, 2020
Final Tax Installment*	\$6.2 M	September 30, 2020	December 29, 2020
Final Tax Installment*	\$6.2 M	December 15, 2020	March 15, 2021

* Final tax installment dates and amounts have not been finalized by Regional Council

The waiving of interest on the April 30 tax remittance is consistent with the Town’s 90 day period for waiving interest on tax payments approved by Council. Committee proposed several other options for providing relief and referred the report back to staff. Regional staff will bring a further report for consideration at its next Regional Council meeting on April 30.

The Town will continue to review further relief options

As the COVID-19 pandemic continues and more information on its financial impacts becomes available, staff will continue to review further relief options and propose additional measures as required.