

Item 5.3 (a)



Hamilton

**PROPERTY TAX ASSISTANCE &
OTHER MEASURES
COMMITTEE OF THE WHOLE**

Report FCS20038

April 8th, 2020

COUNCIL DIRECTION

At its meeting on March 20, 2020, Council passed the following motion:

“That staff be directed to review the feasibility of waiving the penalties on property tax instalments for property owners who may default on their April 30, 2020 property tax instalment and report back to General Issues Committee.”

PROPERTY TAXPAYERS



Waive Penalty & Interest on April 30th Instalment

- P&I waived for 60 days to June 30th
- Approximately 83,000 taxpayers pay by instalment
- Interest on prior arrears continues, unless paid
- Non-payment after June 30th will result in P&I



Waive Penalty & Interest on June 30th Instalment

- Avoids two payments being required on June 30th
- P&I waived for 30 days to July 31st
- Approximately 83,000 taxpayers pay by instalment
- Interest on prior arrears continues, unless paid
- Non-payment after July 31st will result in P&I

PROPERTY TAXPAYERS



Pre-Authorized Payment (PAP)

- PAP withdrawals will continue per current arrangements
- Taxpayer can request to cancel plan without penalty
- Required notice to cancel prior to next payment will be reduced from 2 weeks to 7 business days for any cancellations received up until July 31st
- City will waive administration fees for returned payments until July 31, 2020
- Approximately 64,000 taxpayers pay via one of the City's 5 pre-authorized payment plans

RATEPAYERS (Water/WW/Storm)



Arrears Transferred to Tax Roll

- Continue to process as received from Alectra
- Continue to send out notification of amount added to taxes
- Waive Taxation Administrative Fee and P&I to July 31st
- Approximately 1,500 accounts transferred each month
- Previous transfers continue to be charged interest, unless paid
- Water service is not disconnected for non-payment



Alectra Ratepayer Payment Arrangements

- City currently authorizes Alectra to enter into payment arrangements to address water arrears
- Residential payment arrangements are interest free
- Non-Residential payment arrangements are subject to interest
- To July 31st, new arrangements would be interest free for the term

5

OTHER MEASURES



Other Items Transferred to Tax Roll

- Includes outstanding property standards, bylaw, POA fees
- Continue to send out notification of amount added to taxes
- Waive Taxation Administrative Fee and P&I to July 31st
- Previous transfers continue to be charged interest



Other Measures

- The next Tax Sale (May) will be deferred
- Registration of new liens will be deferred until July 31st
- Flexibility with payment extension agreements
- Authority to waive all NSF charges from other areas including Accounts Receivable up to July 31st

BUDGET IMPACT OF RECOMMENDED MEASURES

PROJECTED REVENUE LOSS		
Budget Impact of Waivers	Low	High
Penalty & Interest	\$290,000	\$570,000
Admin. Fees	\$160,000	\$160,000
Investment Income Loss	\$50,000	\$270,000
Total	\$500,000	\$1,000,000

Other Municipalities

- Majority of those surveyed are implementing a waiver on P&I for at least 30-60 days.
- Some are waiving interest on prior arrears as well.
- A few have postponed instalment dates.
- Some are not currently implementing any measures
- One indicated that it was developing a Tax Deferral Hardship Program (for those that meet criteria taxes can be fully deferred until Oct 30th)



THANK YOU

