

THE REGIONAL MUNICIPALITY OF HALTON

BY-LAW NO. 20-16

A BY-LAW TO PROVIDE A FULL PROPERTY TAX DEFERRAL PROGRAM FOR LOW-INCOME OLDER ADULTS WHO ARE THE OWNERS OF REAL PROPERTY IN THE REGIONAL MUNICIPALITY OF HALTON.

WHEREAS The Regional Municipality of Halton approved the development of a full property tax deferral program for low-income seniors as set out in Report No. FN-20-15.

AND WHEREAS section 8 of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, provides The Regional Municipality of Halton with authority to govern its affairs as it considers appropriate.

AND WHEREAS section 11 of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, provides The Regional Municipality of Halton with authority to pass by-laws related to the health, safety and well-being of persons.

AND WHEREAS section 107 of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, permits The Regional Municipality of Halton to make grants for any purpose that Regional Council considers to be in the interests of the municipality.

AND WHEREAS The Regional Municipality of Halton considers it to be in the interests of the municipality to offer a property tax deferral to eligible older adults as a financial support to allow them to remain in their homes.

NOW THEREFORE THE COUNCIL OF THE REGIONAL MUNICIPALITY OF HALTON HEREBY ENACTS AS FOLLOWS:

1.0 DEFINITIONS

1(1) THAT in this by-law,

- a) "Combined Family Income" means the total income of Registered Owners from all sources as set out in the Notice of Assessment prepared by Revenue Canada that is not older than two (2) years prior to the year in which an application for a property tax deferral under this by-law is made;
- b) "Current Value Assessment" means the amount of money a property would realize if sold at arm's length to by a willing seller to a willing buyer as identified on the Property Assessment Notice for the real property by the Municipal Property Assessment Corporation (MPAC);

- c) “Eligible Person” means person(s) who meet the criteria set out in section 2(1) of this by-law;
- d) “Eligible Property” means real property in the Region that meets the criteria set out in section 2(2) of this by-law;
- e) “Local Municipality” means one of the four local municipalities located within the Region: City of Burlington, Town of Halton Hills, Town of Milton or Town of Oakville, as applicable;
- f) “Local Treasurer” means the person appointed as the Treasurer of a Local Municipality situated within the Region of Halton from time to time, or his or her delegate;
- g) “*Municipal Act*” means the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended;
- h) “Principal Residence” means a principal residence as defined in the *Income Tax Act*, R.S.C. 1985, c. 1 (5<sup>th</sup> Supp.), as amended;
- i) “Regional Treasurer” means the person appointed as the Regional Treasurer from time to time by Regional Council, or his or her designate;
- j) “Registered Owner” means the registered owner(s) on title to the real property;
- k) “the Region” means the municipal corporation of The Regional Municipality of Halton or the geographic area of The Regional Municipality of Halton, as the context requires;
- l) “Threshold Income” means the assisted housing income threshold for all households as set out in the Region’s State of Housing Report published in the year prior to the year in which an application is made.

## 2.0 QUALIFICATIONS

2(1) THAT the Registered Owner(s) shall qualify for a property tax deferral and be deemed an Eligible Person(s) only if he/she meet all of the following criteria:

- a) all Registered Owners of the property must be at least sixty-five (65) years of age by the thirty-first (31<sup>st</sup>) day of December of the year in which the application for property tax deferral is made;

- b) at least one (1) of the Registered Owners must have continuously owned and resided at the real property to which the application applies as a Principal Residence for a period commencing at minimum four (4) years preceding the applicant's application for property tax deferral;
  - c) the Combined Family Income shall not exceed the Threshold Income; and
  - d) the Registered Owners are not receiving other tax relief provided pursuant to Parts VIII, IX and/or Part X of the *Municipal Act*, offered by the Region or a Local Municipality.
- 2(2) THAT the real property with respect to which the application for property tax deferral is made must meet all of the following criteria in order to be considered an Eligible Property:
- a) there are no outstanding property taxes or accrued interest from the year(s) prior to which the initial application is received;
  - b) the real property in respect of which the application is made is located within one of the following classes:
    - (i) Farmland (FT)
      - 201 Farm with residence - with or without secondary structures; no farm outbuildings
      - 211 Farm with residence - with or without secondary structures; with farm outbuildings
      - 244 Managed forest property, residence not on water
      - 245 Managed forest property, residence on water
      - 261 Land owned by a non-farmer improved with a non-farm residence with a portion being farmed
    - (ii) Residential (RT)
      - 301 Single family detached (not on water)
      - 305 Link home – are homes linked together at the footing or foundation by a wall above or below grade.
      - 309 Freehold Townhouse/Row house – more than two units in a row with separate ownership
      - 311 Semi-detached residential – two residential homes sharing a common center wall with separate ownership.
      - 313 Single family detached on water – year round residence
      - 370 Residential Condominium Unit.

(c) the total amount of the deferred property taxes and administration fee set out in section 7(2) of this by-law is not to exceed a maximum of fifty (50%) of the Current Value Assessment of the property.

2(3) THAT any property taxes deferred pursuant to this by-law and the administration fee charged pursuant to section 7(2) of this by-law, plus accrued interest, if applicable, shall constitute a first priority lien on the applicable real property to which the property tax deferral applies pursuant to section 349 of the *Municipal Act*.

2(4) THAT notwithstanding any other provision of this by-law, where an applicant is the Registered Owner of more than one Eligible Property, a property tax deferral pursuant to this by-law shall be applied to only one of the Eligible Properties.

### 3.0 OPT-IN OF THE LOCAL MUNICIPALITY

3(1) THAT in addition to the requirements set out in article 2 of this by-law, there is a requirement for the Local Municipality in which the Eligible Property is located to opt-in to the property tax deferral program in order to qualify for the property tax deferral set out in article 9 of this by-law.

### 4.0 GENERAL ADMINISTRATION AND INITIAL APPLICATION PROCESS

4(1) THAT the Regional Treasurer may designate such persons as may be necessary to implement the provisions of this by-law.

4(2) THAT an applicant for the property tax deferral shall file an initial application on the form prescribed by the Regional Treasurer by the deadline outlined in section 5(1).

4(3) THAT applications for the property tax deferral shall be submitted to the tax office of the Local Municipality within which the property for which the tax deferral is sought is located.

4(4) THAT applications must include documentation to support that all Registered Owners are Eligible Person(s) for the program and that the property with respect to which the application is made is an Eligible Property. Without limiting the generality of the foregoing, applications shall include:

- a) a list of all properties in the Region for which the applicant(s) are Registered Owner(s);
  - b) proof of age; and
  - c) the Notice of Assessment for all Registered Owners prepared by Revenue Canada that is not older than two (2) years prior to the year in which an application for a property tax deferral under this by-law is made.
- 4(5) THAT every applicant shall provide all information required by the Local Treasurer in order for the Local Treasurer to determine the applicant's eligibility for a property tax deferral in accordance with article 2 of this by-law.
- 4(6) THAT applications must include an authorization signed by all Registered Owners authorizing third parties to release to the Local Treasurer all information that the Local Treasurer may require to verify the accuracy of the information submitted with the application.
- 4(7) THAT applications must include an authorization signed by all Registered Owners authorizing the Local Treasurer to release all information provided by the applicant related to his or her application to the Regional Treasurer.

#### 5.0 APPLICATION DEADLINES AND TAXES ALREADY PAID

- 5(1) THAT an initial application for a property tax deferral must be made not later than the thirtieth (30<sup>th</sup>) day of September in the year for which the property tax deferral is sought.
- 5(2) THAT an application to renew property tax deferral eligibility must be made annually and must be made not later than the thirtieth (30<sup>th</sup>) day of September in the year for which the property tax deferral is sought.
- 5(3) THAT the Local Treasurer shall provide the applicant with a response to the initial application or renewal application, as applicable, within sixty (60) calendar days of the submission of the application, or by the last Friday in the month of October, whichever is earlier.
- 5(4) THAT the applicant shall not be provided with a refund of property taxes paid to the Local Municipality for an Eligible Property prior to being approved for the property tax deferral in accordance with article 9 of this by-law.

## 6.0 RENEWAL APPLICATION PROCESS

- 6(1) THAT annually, following a successful initial application for property tax deferral, an applicant for a property tax deferral renewal shall file a renewal application on the form prescribed by the Regional Treasurer by the deadline outlined in section 5(2).
- 6(2) THAT renewal applications for the property tax deferral shall be submitted to the tax office of the Local Municipality within which the property for which the property tax deferral is sought is located.
- 6(3) THAT renewal applications must include documentation to support that the Registered Owners continue to be Eligible Persons for renewal in the program and that the property with respect to which the application is made remains an Eligible Property. Without limiting the generality of the foregoing, renewal applications shall include:
  - a) a list of all properties in the Region for which the applicant(s) are Registered Owner(s);
  - b) proof of age; and
  - c) the Notice of Assessment for all Registered Owners prepared by Revenue Canada that is not older than two (2) years prior to the year in which a renewal application for a property tax deferral under this by-law is made.
- 6(4) THAT every applicant shall provide all information required by the Local Treasurer in order for the Local Treasurer to determine the applicant's eligibility for a renewal of a property tax deferral in accordance with article 2 of this by-law.
- 6(5) THAT renewal applications must include an authorization signed by all Registered Owners authorizing third parties to release to the Local Treasurer all information that the Local Treasurer may require to verify the accuracy of the information submitted with the renewal application.
- 6(6) THAT renewal applications must include an authorization signed by all Registered Owners authorizing the Local Treasurer to release all information provided by the applicant related to his or her application to the Regional Treasurer.

## 7.0 FEES

- 7(1) THAT the applicant shall pay a non-refundable application processing fee of \$50.00 payable at the time of his or her application. There shall be no fee for the annual renewal of the property tax deferral.
- 7(2) THAT upon approval of the property tax deferral, a non-refundable administration fee of \$200.00 will be added to the deferral amounts in the applicant's tax account. This fee is for costs associated with registering a lien and other administrative costs against the Eligible Property in accordance with section 2(3) of this by-law.

## 8.0 EVALUATION OF APPLICATION

- 8(1) THAT upon receipt of an initial or renewal application for property tax deferral, the Local Treasurer shall review the application and determine whether or not the applicant is an Eligible Person(s) and the property is an Eligible Property for a property tax deferral or renewal of a property tax deferral pursuant to this by-law.
- 8(2) THAT the Local Treasurer may, at any time, request the applicant to provide such additional information and/or documentation as he or she may require to evaluate the application and the application shall not be further processed until satisfactory information and/or documentation has been received.
- 8(3) THAT in the event that an applicant fails to provide the information requested by the Local Treasurer within one (1) month of the date of the request, the application shall be deemed to have been abandoned and shall not be further processed.

## 9.0 GRANTING OF PROPERTY TAX DEFERRAL

- 9(1) THAT upon the determination by the Local Treasurer that the applicant is an Eligible Person(s) and the property is an Eligible Property, in accordance with the requirements set forth in this by-law, a property tax deferral shall be granted in accordance herewith.
- 9(2) THAT a property tax deferral granted pursuant to this by-law shall be in the form of a full deferral of property tax owing for the Eligible Property for the calendar year to which the deferral application applies.
- 9(3) THAT this property tax deferral applies only to property tax amounts levied against the property and this by-law shall not defer other fees and/or charges that are added to the tax roll for the Eligible Property.

## 10.0 INTEREST

- 10(1) THAT interest shall accrue on the amount of property tax deferral granted by this by-law from the date(s) the deferred property taxes would, in the absence of the property tax deferral program, have otherwise been due, with penalties and/or interest accruing on the outstanding property tax deferral amount granted by this by-law, including the administration fee set out in section 7(2) of this by-law, in accordance with the Local Municipality's tax collection by-laws.
- 10(2) THAT the interest accrual outlined in section 10(1) of this by-law shall be paid by the Region annually, in the form of a grant pursuant to section 107 of the *Municipal Act*, in respect of the Eligible Property for the benefit of the Eligible Person(s), provided by reduced remittance payments for the Eligible Property from the Local Municipality to the Region, until the earlier of the following two events:
- (i) the end of the grace period outlined in section 12(2) of this by-law; or
  - (ii) the real property to which the property tax deferral applies is sold, transferred or otherwise disposed of.
- 10(3) THAT following the end of the grace period outlined in section 12(2) of this by-law or if the property is sold, transferred or otherwise disposed of, penalties and/or interest shall accrue on the outstanding property tax deferral amount granted by this by-law, including the administration fee set out in section 7(2) of this by-law, in accordance with the Local Municipality's tax collection by-laws, payable by the Registered Owner(s).
- 10(4) THAT notwithstanding any other provision of this by-law, the grant provided pursuant to section 10(2) shall not be repayable by the Eligible Person(s).

## 11.0 DISTRIBUTION OF FUNDS

- 11(1) THAT where property taxes are deferred pursuant to this by-law, adjustments shall be made between the Region, the Local Municipality and the school boards as follows:
- a) The Local Municipality shall remit full payment of the portion of deferred property tax amounts for Eligible Properties owing to the Region, minus the applicable accrued interest amounts for each Eligible Property as set out in sections 10(1) and 10(2) of this by-law;

- b) The Local Municipality shall remit full payment of the portion of deferred property tax amounts for Eligible Properties owing to the school boards, as if full payment of the deferred property tax amounts had been made by the Registered Owners.

## 12.0 GRACE PERIOD

- 12(1) THAT if an applicant fails to submit a renewal application pursuant to article 6 of this by-law by September 30<sup>th</sup> for the year in which the property tax deferral is to apply and/or did not meet the eligibility criteria for renewal as set out in this by-law, as determined by the Local Treasurer, the Local Treasurer shall send written notice of non-renewal and/or ineligibility to the applicant within sixty (60) calendar days of the receipt of the renewal application or by the last Friday in the month of October, whichever is earlier.
- 12(2) THAT upon issuance of written notice as outlined in section 12(1), the applicant shall be entitled to a grace period before payment of the property tax deferral amounts and the administration fee set out in section 7(2) of this by-law becomes due and owing. This grace period shall be for one (1) full calendar year (January 1 – December 31) following the year in which the Local Treasurer sends the written notice of non-renewal and/or ineligibility to the applicant, in accordance with section 12(1).
- 12(3) THAT if an applicant submits a renewal application pursuant to article 6 of this by-law by September 30<sup>th</sup> during the grace period outlined in section 12(2) and meets the eligibility criteria for renewal as set out in this by-law, as determined by the Local Treasurer, the applicant will continue to be eligible for the property tax deferral program.
- 12(4) THAT if an applicant fails to submit a renewal application pursuant to article 6 of this by-law by September 30<sup>th</sup> and/or did not meet the eligibility criteria for renewal as set out in this by-law, as determined by the Local Treasurer, during the grace period outlined in section 12(2), the property tax deferral program will be terminated for the applicant.
- 12(5) THAT as of the date the grace period outlined in section 12(2) ceases and the property tax deferral program is terminated pursuant to 12(4), payment of the deferred property tax amounts and the administration fee outlined in section 7(2) of this by-law become immediately owing in accordance with section 13(2) of this by-law and interest begins to accumulate in accordance with section 10(3) of this by-law.

12(6) THAT the grace period outlined in section 12(2) shall not apply when the real property is sold, transferred or otherwise disposed of. In the event the real property to which a property tax deferral applies is sold, transferred or otherwise disposed of, the total amount of the deferred taxes and administration fee as set out in section 7(2) of this by-law become immediately owing in accordance with section 13(2) of this by-law and interest begins to accumulate in accordance with section 10(3) of this by-law.

### 13.0 PAYMENT

13(1) THAT a partial payment of deferred property taxes can be made at any time without penalty.

13(2) THAT full payment of the deferred property tax amounts and the administration fee set out in section 7(2) of this by-law shall be owing and interest begins to accumulate in accordance with section 10(3) at the earliest of the following events:

- a) the date the grace period outlined in section 12(2) of this by-law ceases; or
- b) the date the Eligible Property is sold, transferred or otherwise disposed of.

13(3) THAT at which time amounts are deemed owing in accordance with section 13(2), the outstanding amounts constitute a debt payable to the Local Municipality in which the property is located.

13(4) THAT upon payment of property taxes deferred pursuant to this by-law, one hundred percent (100%) of the payments shall remain with the Local Municipality in which the property to which the deferred property tax amounts apply is located.

13(5) THAT any payment of deferred property taxes shall firstly be applied to outstanding accrued interest, if applicable, secondly to the administration fees outlined in section 7(2) of this by-law and thirdly, to the deferred property taxes.

### 14.0 TRANSITIONAL PROVISIONS

14(1) THAT notwithstanding section 5(1) of this by-law, for the year 2016 only, an initial application for a property tax deferral must be made not later than the thirty-first (31<sup>st</sup>) day of December, 2016.

14(2) THAT notwithstanding section 5(4) of this by-law, for the year 2016 only, an applicant who is approved for the property tax deferral program in accordance with article 9 of this by-law shall be refunded for all property taxes paid in 2016 for an Eligible Property and be entitled to defer, pursuant to this by-law, the total 2016 property tax amount for the Eligible Property.

#### 15.0 INTEGRITY PROVISION

15(1) THAT notwithstanding anything herein to the contrary, every person who contravenes any provision of this by-law or files a false application or fails to fully disclose his or her financial situation:

- a) is guilty of an offence, and upon conviction, is liable to a fine not exceeding the maximum as set out in the *Provincial Offences Act*, R.S.O. 1990, c. P. 33, as amended;
- b) is ineligible for a property tax deferral pursuant to this by-law for such period of time as the Local Treasurer may determine; and
- c) shall immediately repay all property taxes previously deferred which he or she was not, or is no longer, eligible to have deferred and the administration fee as set out in section 7(2) of this by-law, plus accumulated interest thereon, if applicable.

#### 16.0 GENERAL

16(1) THAT if any paragraph or paragraphs of this by-law or parts thereof are found by any court of competent jurisdiction to be illegal or beyond the power of Regional Council to enact, such paragraph or paragraphs or parts thereof shall be deemed to be severable and all other paragraphs and parts of this by-law shall be deemed to be separate and independent therefrom and continue in full force and effect unless and until similarly found and this by-law shall be enacted as such.

17.0 DATE BY-LAW EFFECTIVE

17(1) THAT this by-law comes into force on the 1st day of July, 2016.

READ and PASSED this 23rd day of March, 2016.

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REGIONAL CHAIR

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REGIONAL CLERK

Report No. FN-06-16