



SUBJECT: Low-income seniors property tax rebate program update
TO: Corporate Services, Strategy, Risk & Accountability Cttee.
FROM: Finance Department

Report Number: F-50-20

Wards Affected: All

File Numbers: 425-04

Date to Committee: December 10, 2020

Date to Council: December 14, 2020

Recommendation:

Approve an increase to the low-income seniors property tax rebate from \$525 to \$550 for eligible property owners effective for the 2021 tax year; and

Approve by-law XX-2020 attached as Appendix A to finance department report F-50-20 which provides for an update to the property tax rebate for eligible property owners, and repeal by-law 12-2016, effective January 1, 2021.

PURPOSE:

The purpose of this report is to recommend an increase to the Low-Income Seniors Property Tax Rebate program.

Vision to Focus Alignment:

Not applicable

Background and Discussion:

The City of Burlington offers a senior's property tax rebate program for eligible property owners through Section 365(1) of the *Municipal Act, 2001* which authorizes a local municipality to pass a by-law to offer such a program, with proper notice to the upper-tier municipality where they also have a similar by-law to allow for the rebate.

Qualifying seniors who own and reside in their home as their principle residence can apply on an annual basis to the City for the rebate. The deadline to apply is December

31 of each year. A person is eligible if they or their spouse meet all of the following requirements:

- Be at least 65 years of age as of January 1.
- Be the assessed owner and occupant of a residential property in the City of Burlington for at least one year preceding the application.
- Be in receipt of the Guaranteed Income Supplement (GIS) pursuant to the Old Age Security Act.
- Have paid property taxes in full excluding the applicable rebate.

Currently, the program provides qualified low-income seniors with a property tax rebate of \$525. In accordance with legislation, the costs associated with the rebate program are shared proportionally among the city, the region, and the school boards in the same percentage as the entities share in the tax revenues.

Strategy/process

The purpose of the low-income seniors property tax rebate program is to assist eligible seniors by lowering their annual property tax expense through a rebate to their property taxes.

Under the current program the city provides eligible seniors with a property tax rebate of \$525. Staff recommend an increase to the rebate from \$525 to \$550 for the 2021 tax year. The city recognizes the need to continue to provide assistance to our low-income senior residents especially during these challenging times.

The amount of the rebate program has increased over time. The current rebate of \$525 was updated for taxation year 2016. Prior to the 2016 increase, the rebate was held at \$450 since 2009.

Not all municipalities have a low-income seniors rebate program. In Halton, Burlington, Oakville and Halton Hills have such a program, with varying criteria, in their respective communities. In 2019, Burlington had 558 eligible applicants, Oakville had 140, while Halton Hills had 165. Their respective grant programs provide for a \$500 rebate.

In addition to the three property tax rebate programs in Burlington, Oakville and Halton Hills, the Region of Halton offers a tax deferral program for Low-income seniors and low-income disabled homeowners (mandated under the Municipal Act). This program allows eligible applicants to defer the “incremental” tax increase from the prior year through an annual application process to the local municipality. The use of this program is very limited given the relief is nominal with the tax deferral only applied to the year over year tax change. The city has had one applicant since the inception of the program by the Region of Halton in 2008.

The Region has another tax deferral program (through Regional Tax policy by-law 20-16 as amended through by-law 35-19) that offers eligible seniors the opportunity to

completely defer their property taxes known as the Older Adults Tax Deferral Program (OATDP). The program was introduced in 2017 with all participating lower-tier municipalities administering the program for their eligible participants through an annual application process to the local municipality. A condition of the program is that the eligible senior cannot participate in the property tax rebate program offered by the lower tier municipality – in other words the eligible senior must choose one program or the other. For the 2020 tax year, the city has 7 eligible property owners who participate in the Older Adults Tax Deferral Program. By comparison, Oakville has 33, Milton has 1, and Halton Hills has 4 participants.

Financial Matters:

The 2020 budget for the senior rebate program is \$125,000. The 2021 budget would need to increase to \$131,000 to reflect Burlington's share of the recommended increase to the rebate amount based on the three-year average number of eligible participants. The city's portion of the rebate is approximately 45%.

Total Financial Impact

The low-income seniors property tax rebate program is funded by the City, Region of Halton and the School Boards in proportionate share to their residential taxes billed.

Source of Funding

Operating budget.

Engagement Matters:

For 2021, a change to the seniors grant amount will require communication to existing eligible seniors as well as the Region of Halton and the school boards. The City provides information about the program through multiple communication means including a brochure insert with the final property tax billing, and current updates on the City web site throughout the year. Application forms are included with the final tax bill for eligible participants from the previous year. Further, advertisements are placed in the local paper and reminder letters are sent to applicants in the fall to remind seniors of the program for which they applied in previous years. The Region of Halton has been advised of the City's proposed rebate increase for the 2021 taxation year.

Conclusion:

Report F-50-20 is submitted to Council to recommend a change to the low-income seniors' property tax rebate program to increase the property tax rebate to \$550 as authorized under the authority of the *Municipal Act, 2001*.

Respectfully submitted,

Paul Lacelle

Coordinator of Assessment

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Appendices:

Appendix A – By-law XX-2020 Low-Income Seniors Property Tax Rebate Program

Report Approval:

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Counsel.