

RELIEF FROM LATE PAYMENT CHARGES FOR ALL LOW-INCOME FAMILIES

Recommendation

The Commissioner of Legal and Administrative Services in consultation with the Commissioner of Finance & Corporate Services and the Director of Financial Services recommends:

That the following report be received.

Economic Impact

Not applicable.

Purpose

To review the possibility of providing relief from late payment charges on property taxes for all low-income families in the same manner as provided to low income seniors who are in receipt of the Guaranteed Income Supplement.

Background - Analysis and Options

At its meeting of October 17, 2005, Council adopted Item 41 in Report No. 54 of the Committee of the Whole directing staff to report to the Budget Committee on the possibility of relief from late payment charges on outstanding taxes for all low-income families.

There are no provisions in the Municipal Act that would permit a municipality to extend relief from late payment charges on property taxes to all low income families. Section 345 of the Municipal Act refers to late payment charges and there is nothing expressly given to municipalities that would allow the treatment of penalty and interest to be applied differently. In the case of the program recently put into place for low-income seniors on Guaranteed Income Supplement, it is permitted to confer a benefit for those individuals 65 years of age or older.

A program of this nature would be complex to administer. The determination of low income status documentation and resulting procedures would require significant staffing levels. A penalty and interest relief program to low-income families would also have a significant financial impact on City revenues. In addition, social assistance is currently available to low-income families. Those that are in financial difficulty may apply to the Region's Social Assistance Services.

Relationship to Vaughan Vision 2007

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

Conclusion

There are no provisions in the Municipal Act that would permit a municipality to extend relief from late payment charges for low-income families.

Attachments

None

Respectfully submitted,

Robert Swayze
Commissioner of Legal and Administrative Services