

Memorandum to the Council of Corporation of the Municipality of Temagami

Subject: Strengthening Support for Vulnerable Residents Updating Property Tax Relief By-Law

Memo No: 2025-M-081

Date: April 10, 2025

Attachment: None

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Recommendation

BE IT RESOLVED THAT Council receives Memo 2025-M-081 as presented.

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1.Executive Summary

This report outlines the need to replace outdated By-Law 09-886 with the updated Municipal Property Tax Relief By-Law 25-1814. The new by-law reflects current economic and demographic conditions, expands eligibility definitions, and introduces both tax cancellation and deferral options. It provides a structured application and appeal process, formal documentation requirements, and mechanisms to ensure fair participation.

The updated framework ensures the Municipality complies with Section 319 of the *Municipal Act, 2001* and aligns with best practices for transparency, privacy, and support of vulnerable populations. As the current by-law has not been updated in over 15 years, this presents a timely opportunity for Council to modernize the program and improve fairness and accessibility for those who need it most.

2. Background

This report provides a detailed analysis of the updated Municipal Property Tax Relief By-Law 25-1814, which replaces the outdated By-Law 09-886. It assesses the changes in the property tax relief framework for low-income seniors and persons with disabilities, ensuring alignment with the evolving economic, social, and legal landscape. The report also examines compliance with relevant provincial legislation, anticipated impacts on municipal finances, and administrative efficiency.

The purpose is to support the repeal of By-Law 09-886 and the enactment of By-Law 25-1814, highlighting the necessity of modernizing the tax relief framework to better serve the municipality's residents. It includes demographic insights, comparisons with other Northern Ontario municipalities, and considers the Consumer Price Index (CPI) increase since 2009, reinforcing the need for updated policies.

3. Comparative Review of By-Laws

Feature	By-Law 09-886 (2009)	By-Law 25-1814 (2025)
Scope of Eligibility	Low-income seniors and persons with disabilities	Seniors (65+ w/ GIS), persons w/ disabilities (ODSP/CPPD)
Income Criteria	GIS or ODSP	Gross household income limits by household size (Schedule A)
Tax Relief Type	Cancellation only	Cancellation or Deferral (with simple interest at BoC Prime Rate)
Maximum Relief	Up to \$100/year (if increase exceeds \$30)	Up to \$300/year (if increase exceeds \$30)
Ownership Requirement	1-year minimum, all co-owners must qualify	Same; includes spouses with legal interest
Residency Requirement	Permanent residence	Min. 10 months/year; verified by documents (tax bill, ID, utility bill)
Application Deadline	Last business day of August	December 31 or 45 days after final tax bill
Appeal Mechanism	Not included	30-day written appeal process to Treasurer
Heir/Estate Provisions	Not included	Estate must repay deferral within 24 months, or reapply within 90 days
Ensuring Fair Participation	Not included	Penalties for false info; full repayment and lien registration allowed
Privacy Compliance	Brief MFIPPA mention	Full MFIPPA compliance; inter-agency sharing with consent
Abandoned Applications	Not addressed	30-day deadline to complete missing info or application is abandoned
Late Submission Exceptions	Not addressed	Allowed: medical, natural disaster, admin error (Section 5.2)
Reassessment Clause	Not addressed	Tax deferral becomes due upon reassessment/sale (Section 6.2)
Clerical Amendments	Not addressed	Clerk may make grammatical/typographical changes (non-substantive)
Retention Period	Not stated	All records kept for 7 years then destroyed securely

4. Rationale for Updating By-Law 09-886

- Inadequate Relief Cap:

The original \$100 cap on tax relief was no longer sufficient due to inflation and rising property taxes. The updated by-law raises the cap to \$300, better reflecting the current financial conditions faced by residents.

- Expanded Eligibility:

The new by-law expands eligibility definitions by clearly specifying income thresholds based on household size and explicitly recognizing persons with disabilities receiving Canada Pension Plan Disability Pension (CPPD) in addition to Ontario Disability Support Program (ODSP) recipients.

- Introduction of Deferral Option:

By-Law 09-886 only allowed for tax cancellation, with no flexibility for temporary financial hardship. The new by-law introduces a deferral option, with interest, providing more time for residents to manage their property taxes and avoid immediate financial strain.

- Ensuring Fair Participation:

By-Law 25-1814 introduces safeguards to maintain fairness and accountability, including penalties for false information and the ability to register liens where appropriate. These measures help ensure relief is provided to eligible applicants while protecting the integrity of the program.

- Appeal Process:

By-Law 09-886 offered no recourse for residents whose applications were denied. The updated by-law introduces a structured 30-day appeal process, providing fairness and transparency in decision-making.

- Administrative Clarity:

The previous by-law lacked clear procedural guidelines, creating confusion for applicants. The updated by-law includes defined documentation requirements and an updated application form, improving transparency and efficiency.

- State Transition Rules:

By-Law 09-886 did not address the situation if a property owner passed away. The new by-law clarifies that heirs can continue tax deferrals, provided they meet eligibility criteria, or must repay the deferred taxes within 24 months.

- Privacy and Consent Framework:

The updated by-law ensures compliance with MFIPPA (Municipal Freedom of Information and Protection of Privacy Act), safeguarding residents' privacy while allowing for necessary information-sharing with relevant agencies to verify eligibility.

- Economic Justification:

The Consumer Price Index (CPI) has increased by approximately 27% from 2009 to 2025, eroding the purchasing power of residents. The original \$100 relief was no longer adequate to offset rising property taxes and living expenses. Increasing the cap to \$300 reflects these economic changes.

- Demographic Justification: Temagami's Aging Population

Temagami has a significantly older population, with a median age of 57.0 years compared to Ontario's median of 40.9 years. Over 51% of residents are aged 60 or older, many of whom are on fixed incomes and face increasing challenges related to property taxes. The updated by-law specifically addresses these concerns.

- Legal Compliance:

By-Law 25-1814 complies with several key legislative requirements:

- *Municipal Act, 2001* (Section 319) authorizes municipalities to offer tax relief for seniors and persons with disabilities.

- Ontario Home Property Tax Relief for *Seniors Act, 2003* encourages municipalities to provide property tax relief programs for seniors.
- *Education Act* ensures that tax relief programs comply with regulations affecting the education portion of property taxes.

5. Anticipated Impacts

- Positive Impacts:
 - Enhanced Financial Relief: Increases support for vulnerable residents, helping them maintain homeownership and financial stability.
 - Community Stability: By assisting residents, the municipality helps promote long-term community cohesion.
 - Economic Stimulus: Increased disposable income can boost local economies.
- Challenges:
 - Revenue Implications: Reducing tax revenues could impact the municipality's budget, but the proportional reduction in education taxes mitigates this.

6. Conclusion

The enactment of By-Law 25-1814 represents a critical and long-overdue modernization of Temagami's property tax relief framework. It brings the municipality into compliance with provincial legislation, reflects current economic conditions, and offers a more inclusive, flexible, and transparent system for supporting low-income seniors and persons with disabilities.

Given that By-Law 09-886 has not been updated in over 15 years, the adoption of By-Law 25-1814 presents a timely opportunity to modernize the program. Council may wish to consider moving forward with its approval and implementation to better reflect current needs and legislative standards.