

City Clerk

Subject: MOTION Property tax letter to Province

From: Carol Day <carol@carolday.net>

Sent: November 30, 2020 8:24 AM

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To Council Team

I have heard from citizens that the new PROVINCIAL property tax deferral system has caused confusion and subsequently people have been charged fines for not paying their taxes when they believed they had applied for property tax deferment.

I would like to make the following **Motion**:

That council write to the provincial government to address concerns regarding the tax deferral program and ask for better communication with the public regarding the rules and policies and that during this COVID-19 pandemic they allow for more flexibility and forgiveness of fines when the public have misunderstood the new process.

Rational:

Here is information from Ivy Wong:

Wong,Ivy

to me

Hi Carol,

I'm afraid there's not much the City can do for this taxpayer. As you are well aware, the Community Charter requires the City to charge penalties on any outstanding taxes after the penalty date. This year, the penalty date was set for October 1st. The Charter does not give municipalities the authority to waive penalties when a payment or a deferment is received after the due date.

This year, the Province centralized all the application and renewal process for the province through their online system. Municipalities are only notified of tax deferments through a daily or adhoc file that the Province produces once they have completed their review process. To ensure property owners are well aware of the changes, the following took place:

1) In late March/early April 2020, the Province sent letters to all property owners who have active deferment accounts on record with the Province. That letter advised everyone to sign up for an online etax account. Once the online etax account is set up, they can access their deferment information online, anytime. They were also advised to

This step replaces the annual tax deferment account statement that taxpayers used to receive each year from the Province. In the past, it was a paper statement that showed the property owners how much they've already deferred and the interest charges to date. Also included in the envelope, was a paper tax deferment renewal form that the taxpayer must bring to the City along with their signed home owner grant.

Some of the taxpayers did not read through the entire document and only assumed that signing up for the etax account was all that was required to defer taxes.

2) The Province rolled out the centralized eDeferment program to all tax collectors' in January 2020 for municipalities' information and to hear of the comments and feedbacks from the municipalities who actually deals with the public. Knowing that a lot of seniors require significant hand holding or assistance with filling out their tax deferment renewal forms online, municipalities suggested that we help with the transitioning to eDeferment by sending municipal staff to the seniors' centres and helping them fill out the online deferment forms. I even suggested that we request extra ipads so that we can easily entered applications and renewals for seniors who needed the assistance.

The Province specifically rejected that suggestion and told all municipalities that they should not help seniors with filling out their online application. They said that tax deferment is a loan program between the Province and the property owner and that a third party should not get involved with the legal documents or even interpreting the legal documents. They said that if the seniors have any concerns, they should call the Province directly.

3) To further remind people of the changes to the tax deferment program, the attached letter was sent from the City's Tax Department to all property owners where the properties have an active deferment account on record. It specifically gave the links to where taxpayers can apply for their tax deferment and the phone numbers to call if they have any questions or concerns.

When this letter was sent, we received numerous calls from seniors asking for clarification. We tried to clarify as much of the confusion as possible. Where the question was specific to their deferment application or their deferment account, we asked that they call the Deferment Office directly.

With the centralization of the deferment program, the City cannot check as to how many people did what this particular property owner did since the eDeferment application system is entirely with the Province. The Province will not share that information with us. The City is only sent an electronic file whenever they complete the application review process on their end for Richmond taxpayers. The file from the Province provides the application date that we must accept into our system and in turn, we provide the outstanding tax amount back to the Province so that the Province can pay on behalf of the taxpayer. If the application date is prior to our tax penalty date of October 1, 2020, no penalty is applied. If the application date is October 1st or later, penalty must be applied and the property owner should pay the penalty before we remit the tax information to the Province for payment.

Also, for your information, just because a property owner has deferred taxes once, it doesn't imply that they will defer taxes every year, or ever again. Some property owners will defer only those years when they are short of cash while others may have deferred once but decided they don't want to bother doing it again.

My advice for this individual is to call the Province and see if the Province is willing or can backdate their deferment application to when they first tried to defer their taxes. If the Province cancels the current application and resubmit it for a date prior to October 1st, we would be more than happy to reverse the penalty.

Sorry for the long explanation. Hope this gives you the information that you need.

Judy Wong

Revenue Manager

City of Richmond

604-276-4046

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Best regards,

Carol Day

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