

Memorandum

Date: March 22, 2022

To: Members of Council

From: Hillary Bryers, Manager, Revenue / Deputy Treasurer, Finance

Subject: Supplementary Information regarding a Notice of Motion for an Optional Small Business Property Tax Subclass

This memo is to provide Council with information relating to a request to lower property taxes for small businesses in Caledon.

In 2021, the Province of Ontario passed amendments to the *Assessment Act* to provide municipalities with an option to provide a property tax reduction to eligible small businesses. In a two-tier local government system, this decision lies with the upper tier municipality. For Caledon, this would be a decision of the Council of the Region of Peel. Caledon has no legislated ability to introduce a new property tax sub-class independently. This sub-class was introduced by the Province to address assessment related issues that were experienced in some municipalities, such as the City of Toronto.

A working group of Region of Peel, Brampton, Mississauga and Caledon staff was established and engaged with various stakeholders in reviewing the optional small business sub-class. Following this comprehensive review, a report on the new sub-class was delivered to Regional Council on October 28, 2021. This report is attached to this memo as Schedule A. It was not recommended to Council that this sub-class be adopted within the Region of Peel. This was for a multitude of factors including the administrative burden and cost of implementing the program and the increase in residential and other commercial property taxes that would result from any reduction introduced by a new subclass.

Other Available Assistance to Small Businesses

Throughout the pandemic, the Town's Economic Development staff have provided support to the business community, sharing timely information regarding policies, restrictions, resources/guidance, training and funding assistance. Supported by business surveys, staff concentrated on information sharing through webinars, one on one meetings, newsletters and social media. In addition, staff launched a multi-faceted Love Local campaign encouraging residents to support local businesses.

Financial support through grants and loans are provided through Provincial and Federal levels of government. There have been numerous programs over the course of the pandemic. The most recent relevant programs for small business are:

Province of Ontario

- Business Cost Rebate Program, providing rebate payments equivalent to 50% of property tax and energy costs incurred while subject to capacity limits

- COVID-19 Small Business Relief Grant (closed March 11), providing up to \$10,000 to small businesses (including newly established businesses) subject to recent closure or capacity restrictions

Government of Canada

Current funding support for wages, commercial rent and property expenses incurred for businesses that had to close for a period of time or had to drastically reduce capacity in their space through:

- Tourism and Hospitality Recovery Program
- Hardest-Hit Businesses Recovery Program
- Canada Recovery Hiring Program
- Canada Emergency Wage Subsidy
- Highly Affected Sectors Credit Availability Program (closes March 31)

Town of Caledon

- COVID Property Tax Program, allowing for monthly payments for 2020, 2021 and 2022 taxes and waives penalties and fees.

Attachments

Schedule A: Region of Peel Report dated October 28, 2021 re: Optional Small Business Subclass Review