March 25, 2020

Dear Head of Council:

I want to take this opportunity to thank you for all the work you are doing as local leaders in protecting the health and well-being of your communities. I am also writing to provide an update on the government’s plan to respond to COVID-19, and the actions that we will be taking to further protect Ontarians.

Today, I released Ontario’s Action Plan: Responding to COVID-19 (March 2020 Economic and Fiscal Update). The government’s action plan is a first step in its response to COVID-19, and includes $7 billion in additional resources for the health care system and direct support for people, jobs and employers. We will also make available $10 billion in support for people and businesses through tax and other deferrals to improve their cash flow, protecting jobs and household budgets.

This $17 billion response is a critical first step to ensure our health care system, communities and economy are positioned to weather the challenges ahead.

During this challenging time, I understand that municipal governments need to focus their attention on critical public health initiatives and other efforts to manage the local response to the COVID-19 outbreak.

The government has received input from municipal leaders, including AMO’s president, that the reassessment should be delayed to provide much-needed stability to property owners and municipalities. That is why the government will also be postponing the property tax reassessment for 2021. This means that assessments for 2021 will continue to be based on the same valuation date that was in effect for 2020, providing stability for Ontario’s property taxpayers and municipalities.

The Province recognizes that many residents and businesses are facing challenges in making their scheduled property tax payments. I understand that many municipalities are considering or have already announced plans to allow their residents and businesses to defer their property tax payments.

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In order to support and encourage these actions, the government is deferring the property tax payments that municipalities make to school boards by 90 days. This is consistent with requests that we have heard from a number of municipalities.

Deferring the upcoming quarterly (June 30) municipal remittance of education property tax to school boards by 90 days will provide municipalities the flexibility to, in turn, provide over $1.8 billion in property tax deferrals to residents and businesses. In addition, the government is also deferring the following quarterly (September 30) municipal remittance of education property tax to school boards by 90 days.

As we work with our municipal partners to help stop the spread of COVID-19, we are providing nearly $250 million of direct support that will assist municipalities in their efforts.

Further details on the property tax measures noted above will be provided to your municipal treasurers shortly through a letter from Allan Doheny, Assistant Deputy Minister, Provincial Local Finance Division.

The government is taking steps to lessen the burden for families, businesses and communities. I look forward to continuing to work in partnership with municipalities as we enhance our efforts to contain the spread of COVID-19, protect public health, support Ontario businesses and to weather the challenges ahead.

Sincerely,

Rod Phillips
Minister of Finance

c: The Honourable Steve Clark, Minister, Ministry of Municipal Affairs and Housing
Greg Orencsak, Deputy Minister, Ministry of Finance
Kate Manson-Smith, Deputy Minister, Ministry of Municipal Affairs and Housing
Allan Doheny, Assistant Deputy Minister, Provincial-Local Finance Division, Ministry of Finance