

DECISION/DIRECTION NOTE

Title: Extension of interest free period on residential and commercial property taxes and water tax up to and including December 31, 2020.

Date Prepared: June 23, 2020

Report To: Committee of the Whole

Councillor and Role: Councillor Dave Lane, Finance & Administration

Ward: N/A

Decision/Direction Required: Council approval to extend the interest free period on residential and commercial property taxes and water tax up to and including December 31, 2020.

Discussion – Background and Current Status: As a support measure to aid residents and businesses affected by the COVID-19 pandemic, the City of St. John's previously announced that it would not charge interest on residential and commercial property taxes and water tax for a period up to and including August 31, 2020. In light of the continued economic impact that COVID-19 continues to have on its residents and businesses, it is being recommended Council extend the interest fee period up to and including December 31, 2020. It is the goal that by allowing businesses and residents more time to pay their taxes with out incurring interest penalties, it will provide them with more flexibility in managing their cashflows during this period of economic uncertainty.

Key Considerations/Implications:

1. Budget/Financial Implications:

The financial impact of this support measure is estimated to result in a revenue shortfall of approximately \$1.8M in fiscal 2020. The incremental amount of the recommended extension is approximately \$800K.

2. Partners or Other Stakeholders:

3. Alignment with Strategic Directions/Adopted Plans:

4. Legal or Policy Implications:

5. Privacy Implications:

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6. Engagement and Communications Considerations:

7. Human Resource Implications:

8. Procurement Implications:

9. Information Technology Implications:

10. Other Implications:

Recommendation:

That Council approve the extension of the interest free period on residential and commercial property taxes and water tax up to and including December 31, 2020.

Prepared by: Kris Connors - Manager, Budget & Treasury

Approved by: Derek Coffey - Deputy City Manager, Finance & Administration