



## CITY POLICY

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**SECTION: FINANCE AND CONTROL**

**NO: FI - TA - 02**

**REFERENCE: TAXES**

**Date: August 5, 2003**

**History: NEW**

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**TITLE: VACANCY REBATES**

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### **1.0 VACANCY REBATES FOR COMMERCIAL AND INDUSTRIAL TAXES**

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#### **1.1 Qualifications for Vacancy Rebates**

A building or structure on property that is classified in one of the commercial classes or industrial classes is prescribed to be an eligible property for the purposes a vacancy rebate if:

1.1.1 The building (or structure) or portion of a building was not used for at least 90 consecutive days in any given taxation year. A reference to a period of at least 90 consecutive days shall be read as a reference to a period of at least 90 consecutive days if the period includes all of February. The following, in the absence of other activity, does not constitute the use of a building or structure or a portion of a building:

- (a) Construction, repairs or renovations of the building, structure or portion of the building.
- (b) The heating, cooling, lighting or cleaning of the building, structure or portion of the building.
- (c) The presence of fixtures.

1.1.2 The building or portion of the building was clearly delineated or separated by physical barrier from any portion of the building that was used.

1.1.3 The unused or vacant portion was capable of being leased for immediate occupation or would otherwise be capable of being leased for immediate occupation was not in need of or undergoing repairs, renovation, was under construction or was unfit for occupation.

## 1.2 Property Excluded from Eligibility

A property is excluded from eligibility if:

- 1.2.3 It is used on a seasonal basis;
- 1.2.4 It is leased to a tenant, regardless or whether or not that tenant is current with their rent; or,
- 1.2.5 It is included in a subclass for vacant land under the Assessment Act.

## 1.3 Base Property

“Base Property” means, in respect of an eligible property for a taxation year, the real property whose assessment on the roll returned under the Assessment Act for taxation in the taxation year included the eligible property, excluding any portion of the real property,

- (a) that is exempt from taxes for the municipal and school purposed for the year;
- (b) that is not included in the same class of real property for the taxation year under the Assessment Act as the eligible property; or,
- (c) that is included as a subclass for excess land under the Assessment Act.

## 1.4 Amount of the Rebate

The percentage of vacancy rebate shall be established by Council and disclosed in the tax rate By-law passed by Council each year and shall be a minimum of thirty percent (30%) percent in the case of Commercial Vacant properties and thirty-five percent (35%) in the case of Industrial Vacant Properties as required under the Municipal Act.

- 1.4.1 The amount of taxes for a taxation year in respect of an eligible property to which the percentage specified in the Act is applied is determined as follows:
  - (a) Take the value of the eligible property for the year as determined by the current value assessment.
  - (b) Determine the percentage that the value of the eligible property is of the assessed value of the base property for the taxation year.

This policy is subject to any specific provisions of the Municipal Act, or other relevant legislation or Union agreement.

**1.4 Amount of the Rebate (Cont'd.)**

1.4.1 (cont'd)

- (c) Multiply the percentage determined under paragraph 2 by the taxes for the municipal and school board purposes for the base property for the taxation year.
- (d) Determine the percentage that the number of days in the taxation year that the property was an eligible property is of the total number of days in the year.
- (e) Multiply the percentage determined under paragraph 4 by the product determined under paragraph 3.

1.4.2 The amount of the rebate in respect of the eligible property is determined by multiplying the amount of taxes determined under a) above in respect of the eligible property for the year, by the vacancy percentage established in the annual tax rate By-law for each taxation year.

**1.5 Rebates on Eligible Property Commencing after October 3<sup>RD</sup>**

If the period of at least 90 consecutive days during which a property or portion of a property was eligible property commences after October 3 in the prior taxation year, the amount of taxes for the taxation year is determined for the purposes of Section 1.3, by adding the following amounts:

- (a) The amount of taxes that would be determined under 1.3 above for the previous taxation year if the only period in that year during which the property or portion of the property was eligible property was the period after October 3<sup>rd</sup> during which the building or structure or the portion of the building was an eligible property.
- (b) The amount of taxes that would be determined under 1.3 above for the taxation year in respect of the period in the year during which the building or structure or the portion of the building was an eligible property.

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**1.6 Penalties**

Any person who knowingly makes a false or deceptive statement in an application for a rebate is liable, upon conviction, to a fine of double the amount of the rebate that the person sought to obtain through their false or deceptive statement.

**1.7 Interest**

1.7.1 If the deadline for applying for a rebate in respect of a taxation year is extended, interest is payable in respect of the rebate if:

- (a) the application for the rebate is received by the municipality before the deadline; and,
- (b) the municipality fails to pay or credit the owner the amount of the rebate to which the owner is entitled by the later of,
  - (i) the day that is 120 days after the deadline, and,
  - (ii) the day that is 120 days after the day the owner provides the information required.

1.7.2 If the municipality pays or credits an owner a rebate in an amount that was less than the amount determined under a recalculation of the eligible rebate, interest is payable, at the same amount that the municipality has prescribed for interest and penalties on outstanding taxes, on the additional amount of the rebate if the municipality does not pay or credit the owner the additional amount within 120 days after receiving notice of the change to the assessment.

**1.8 Number of Applications**

Property owners may submit a maximum of two (2) applications per property per year. Specifically, they may submit either:

- (a) one application in respect of all vacancies that occurred on a property during the entire taxation year; or,
- (b) one application in respect of the vacancies that occurred during the first six (6) months of the year and a second application for vacancies that occurred during the last six (6) months of the year.

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