

**COMMUNICATION 132034**

Received from: Trisa McConkey, CPA, CGA, Treasurer  
Addressed to: Corporate Services Committee  
Date: March 9, 2021  
Topic: Vacant Unit Rebate Program

**SUMMARY:**

A By-law is required to allow for the elimination of the requirement for municipalities to offer rebates to owners of commercial and industrial properties that has vacant portions under S. 364 (1) of Municipal Act, 2001 (The Act).

**BACKGROUND:**

In 2017, the Province announced that municipal rebates for vacant commercial and industrial properties and excess commercial and industrial land are no longer mandatory. In 2019, Lanark County Treasurers asked Lanark County to begin the process to apply to the Province to eliminate these rebates throughout Lanark County. County Council supported this action on September 4, 2019.

Lanark County staff then began public consultation of residents and businesses regarding the merit of the current tax rebate program and its future. On April 8, 2020, County Council approved the elimination of the commercial/industrial vacancy rebate programs for both buildings and land (excess and vacant) commencing January 1, 2021 for the 2020 taxation year. This motion was then sent to the Ministry of Finance for approval and inclusion within The Act.

On June 3, 2020, confirmation of the request to the Ministry of Finance was received and clarified that the County wished to:

1. Eliminate the Vacant Unit Rebate in 2021 for vacancies occurring in the 2020 tax year: and
2. Eliminate the Vacant and Excess Subclass (vacant lands) reductions as of 2021.

On September 2, 2020, Lanark County received notification from the Ministry of Finance that it was in the process of preparing the regulations to implement the requested changes.

On November 10, 2020, Lanark County received notification from the Ministry of Finance that instead of preparing the regulations to implement the County's requested changes to eliminate the exemptions, the Provincial Government would be enacting changes to the Municipal Act that would enable municipalities to modify the vacancy rebate and reduction programs at the local level through municipal by-law. These changes to The Act received Royal Assent on December 8, 2020.

If it had not been for the change to the provincial legislation to now allow local municipalities to decide to discontinue vacancy rebates which occurred late in 2020, the change would have been completed and the County of Lanark would have been included in the provincial regulation.

**COMMENT:**

Property owners submitting applications in 2020 (for rebates of 2019 taxes) we informed verbally that the program would be unavailable in 2021 (for rebates of 2020 taxes). They were also informed of the County's public consultation and invited to participate in the survey released by the County regarding this matter. Despite that, we received three (3) applications for 2020 rebates prior to February 28, 2021 (the deadline imposed by the Municipal Act for rebate applications).

Prior to the change in legislation, municipalities that had applied to the Province and been approved for exemption from this program were listed in O.Reg.280/17. Now that municipalities can exempt themselves by by-law, Carleton Place is not listed as an exempt municipality in the regulation.

Staff do not recommend allowing rebates for the three (3) applications received. Historically the owners of between 30 and 40 properties applied for rebates each year. Most of these property owners understood that the program would not continue for 2021 and therefore did not submit applications. It would be unfair to these property owners if we proceeded with processing applications for those received by February 28, 2021. In addition, the municipality does not have the ability to extend the deadline as per Section 364(2) 5. of the Act:

5. The application shall be made to the local municipality by the last day of February of the year following the taxation year in respect of which the application is made or such other date as the Minister of Finance may prescribe, either before or after the expiry of the time limit.

**FINANCIAL IMPLICATIONS**

Carleton Place's share of Vacant Unit rebates in 2020 amounted to \$55,000. The elimination of the Vacant and Excess subclass reductions will have no financial impact to the municipality however, other classes of property within the municipality (i.e., Residential) will see a reduction in taxes due to this change.

**STAFF RECOMMENDATION**

THAT Council direct staff to prepare a by-law to eliminate all vacant unit rebates in the Town of Carleton Place in accordance with the application made to the Province in 2020.