



CITY OF BELLEVILLE
Brian T. Cousins, Director of Finance/Treasurer
Finance Department
Report No. DF-2017-36
October 23, 2017

To: Mayor and Members of Council

Subject: Vacant Unit Rebate Program Update #4

Recommendation:

“THAT pursuant to the Director of Finance/Treasurer’s Report No. DF-2017-36, Council approve the following resolution”.

“WHEREAS Section 364 of the Municipal Act, 2001(“The Act”) state that every local municipality shall have a program to provide tax rebates in respect of vacant portions of commercial and industrial properties;

AND WHEREAS recent amendments to that section of The Act have provided the Ontario Minister of Finance (“The Minister”), with expanded authority to set locally specific program rules via regulation;

AND WHEREAS The Minister has invited upper-and single tier municipalities to engage in local policy consideration and planning efforts and to make submissions to the Ministry of Finance detailing locally indicated reforms to this program;

AND WHEREAS the City of Belleville has engaged with its constituents to seek feedback in this regard;

AND WHEREAS The Council of the City of Belleville deems it appropriate to pursue the reform, and ultimately the elimination of the rebate program set out under Section 364 of The Act in order to better meet the broad objectives of the City and local property tax programs;

NOW THEREFORE be resolved that the Council of the City of Belleville formally requests that the Minister of Finance enact the following reforms via special regulation:

1. THAT in accordance with subsection 364 (12) of the Act, the following shall apply to 2018 and subsequent taxation years;
2. AND THAT no property classes, other than the commercial and industrial property classes are prescribed for the purpose of Section 364 of the Act;
3. AND THAT the rebate percentages for the purposes of paragraphs 364(2) 2, 3 of the Act, are as follows:
 - a) For the 2018 taxation year; 30.0 percent of the commercial property class and 30.0 percent for the industrial property class;
 - b) For the 2019 taxation year; 15.0 percent for the commercial property class and 15.0 percent for the industrial property class;
 - c) For the 2020 taxation year; 0.0 percent for the commercial property class and 0.0 percent for the industrial property class
4. AND THAT the City of Belleville asks the Minister of Finance for the Province of Ontario to pass the required regulation for the eventual elimination of the Vacant Unit Tax Rebate Program for the City of Belleville.

Strategic Plan Alignment:

The City of Belleville's Strategic Plan identifies nine strategic themes. The recommendation within this report aligns with the City's nine strategic themes and the City's Vision Statement of financial sustainability.

Background:

As part of the 2016 Fall Economic Statement, the provincial Minister of Finance announced several tax policy amendments for 2017. One of the amendments allows municipalities to initiate a locally designed vacant unit and vacant/ excess land subclasses program, subject to Ministerial approval. The Province is allowing municipalities to design their own policies to address local issues.

This new legislation allows municipalities to consider changes with respect to:

- Percentage reductions for vacant and excess land;
- Percentages used for vacant unit rebates;
- Administrative policies, application procedures and information requirements;
- Enhanced and refined eligibility requirements; and
- Elimination of a program.

At the September 25, 2017 Council meeting Council approved the following resolution:

“THAT pursuant to the Director of Finance/ Treasurer’s Report DF-2017-34 the Vacant Unit Rebate Program be amended at Option E”.

Analysis:

The following points relate to Option E:

- 1) Phase the vacancy rebate to zero over 2 years

Year	Commercial	Industrial
2017	30%	30%
2018	15%	15%
2019	0%	0%

For vacant units applying in 2017 and processed in 2018 the commercial rebate is 30% and industrial rebate is 30%. For applications in 2018 and processed in 2019 the rebate is 15% for commercial and industrial properties. For 2019 applications the rebate is 0%.

- 2) Amend the eligibility criteria for partially vacant commercial properties
The following criteria to be deleted from the application:
“not capable of being leased for immediate occupation because it was undergoing or in need of repairs or renovations or was unfit for occupation”

If approved the application (Schedule A) will be modified.

- 3) Marketing Plan
Currently there is a requirement on the application. Perhaps more information on the plan could be requested.
- 4) Properties must be in full compliance with property standards.

The application will be amended to include a section on compliance with property standards and forwarded to Building Department for their approval.

Processing of Applications

Applications will be processed through the following steps:

- 1) Property owner submits an application to City's Finance Department
- 2) City forwards application to MPAC
- 3) MPAC determines assessment of vacant area and forwards to City
- 4) City calculates rebate and notifies property owner

Conclusion:

Based on the direction of Council provided on September 25, 2017, staff have prepared the above recommendation for Council's approval. Once approved the resolution will be forwarded to the Province. Upon approval of the City's proposed vacant rebate policy, the Minister will set a regulation to enact as law.

Respectfully submitted,



Brian T. Cousins, CPA, CMA
Director of Finance/Treasurer

BTC:jk