



Date: 2021-05-05

From: Kassie Rocca, Director of Finance

Subject Elimination of Vacancy Rebate Program

Report FIN2021-15

Recommendation

That Committee hereby approves the elimination of the Vacant Unit Rebate program, and

That a by-law to eliminate the Vacant Unit Program, be presented at the May 12th, 2021 Council meeting.

Background

Since 2001, the provincial vacancy unit rebate program has provided eligible commercial and industrial properties the ability to apply for a 30% and 35% rebate of property taxes, respectively. In order to receive the rebate, the property owner was required to submit an application to the Township stating either that the entire, or a portion of the commercial/industrial building was unused for at least 90 consecutive days in a calendar year. As applications are only required to be submitted once annually, it is very difficult for Township staff to verify the accuracy of the application as the property may no longer be vacant when the application is received.

In 2017, the province completed a review of the vacancy unit rebate program in response to municipal concerns about the appropriateness of such a rebate. As a result of the review, the province gave local municipalities the flexibility to tailor the rebate program to their respective needs, in coordination with the upper tier. In order to change the program, municipalities were required to complete an online information campaign survey. Grey County had planned to start the campaign process in 2020, but the project was delayed due to COVID. The majority of municipalities in Ontario have already eliminated the vacancy rebate program. Eliminating the program removes any incentive to keeping commercial and industrial properties vacant and encourages landowners to redevelop their properties for commercial and industrial uses. In 2020, the province

ceased allowing rebates on the education portion of taxation, leaving only the County and Municipal portion of taxes eligible for vacancy rebates.

In December 2020, changes to Section 364 of the *Municipal Act, 2001* provided the ability for local municipalities to pass a by-law eliminating the rebate or changing the rules to better serve local needs without the requirement of an online campaign and survey. Under the new rules, each local area municipality may choose to eliminate the program, independent of the upper tier (Grey County).

Analysis

During the Grey County Treasurer's meeting on February 19, 2021, it was communicated that 100% of municipalities within Grey County were in agreement to recommend the elimination of the vacancy rebate program.

At their meeting on March 25th, 2021, Grey County Council supported the elimination of the vacancy unit rebate program and recommended that the County's local municipalities pass by-laws to eliminate the rebate.

Township staff support the elimination of the vacancy unit rebate program. The number of applications received by the Township each year under the rebate programs varies between 2-4 eligible properties. For the 2020 tax year, only two applications were received. Of note, both properties have been applying for the vacancy rebate for the last 6+ years.

Financial Impact

For the 2020 tax year, vacancy rebates were issued totaling \$3947.59. The impact to the Township was a rebate of \$2,412.22; the impact to the County was a rebate of \$1535.36; and there was no impact to the province as vacancy rebates have already been eliminated on the education tax rate. Although the financial impact to the Township of eliminating the vacancy rebate is minimal, the elimination of the rebate should encourage property owners to redevelop their properties for occupancy.

Strategic Priorities

The Township of Georgian Bluffs strives to retain, expand, and attract new businesses that support employment opportunities, promote a diversified economy, support value-added agriculture and capitalize on the Township's strengths, defining natural resources, while protecting the natural environment.

Conclusion

Township staff recommend the elimination of the vacancy unit rebate program effective for the 2021 tax year. Elimination of the program promotes the redevelopment of vacant commercial and industrial units.

Supporting Documents:

Appendix A: Grey County Report FR-CW-10-21 – Vacant Unit Rebate Program

Respectfully Submitted: Kassandra Rocca, Director of Finance / Treasurer

Report Approval Details

Document Title:	Elimination of Vacancy Rebate Program.docx
Attachments:	
Final Approval Date:	Apr 20, 2021

This report and all of its attachments were approved and signed as outlined below:

Jenn Burnett, Senior Planner

Tim Lewis, Chief Building Official / By-law Enforcement Officer

Steven Dollmaier, Director of Operations

Janet Hilts, Human Resources Manager

Brittany Drury, Clerk

Al Meneses, Chief Administrative Officer