

Rebates for Vacant Business Properties have been eliminated

The County of Simcoe, in conjunction with its local area municipalities has opted out of the program that provided property tax rebates for vacant commercial and industrial units and buildings. This change is effective as of January 1, 2018.

This program was established by Provincial legislation in 2001 and allows owners of commercial and industrial buildings to apply for partial property tax rebates if all or part of the property was vacant for at least 90 consecutive days and other criteria are met.

Overtime, municipalities within the County and across the province found the program to be increasingly difficult to manage, budget for and administer. The application and enforcement of eligibility criteria has become particularly difficult due to loosely defined rules and limited compliance provisions. Further, while conceived as a means of addressing temporary or sporadic conditions, many properties remained *eligible* for years at a time or indefinitely, thereby receiving ongoing vacancy rebates; often realizing assessment based reductions as well to reflect the persistent vacancy.

In the fall of 2016 the Minister of Finance provided municipalities with the opportunity to consider the role of this program within their local tax regimes and to make decisions as to what, if any, changes would benefit their municipality and its broader taxpayer base.

During 2017 and 2018 The County and local area municipalities devoted significant resources and time to consider the future of this rebate within the broader context of the local property tax regime. These efforts included, but were not limited to engaging with local stakeholders, taxpayers and the business community to both inform and consult.

Having considered all available information and input, Simcoe County Council made a formal request to the Minister of Finance that the program be eliminated on the basis that this would best serve the broader tax base and overall health of the local tax system.