



The Corporation of the Town of Midland

575 Dominion Avenue
Midland, ON L4R 1R2
Phone: 705-526-4275
Fax: 705-526-9971
info@midland.ca

February 4, 2019

X
X

Dear Applicant,

Re: 2018 Vacant Unit Rebate Application for Roll#xxxxx

We are in receipt of the above noted application for a Vacant Unit Rebate under Section 364 of the *Municipal Act, 2001* for the 2018 taxation year.

Please note that this program was eliminated effective January 1, 2018. As such we are not able to review or respond to the specifics of your application and no tax adjustment or rebate will be made.

This change applies to all local municipalities within the County of Simcoe in accordance with *Ontario Regulation 325/01 as amended*. The last day for which eligibility could be claimed was December 31, 2017 and the last day on which a valid application could be made was February 28, 2018.

Further questions can be directed to Joline Huang at 705-526-9971 ext. 2225.

The Town of Midland received notice of the elimination of the rebate in January 2019 and apologize for any inconvenience this late notice has caused.

Yours truly,

The Corporation of The Town of Midland

M. Susan Turnbull, BSc, CPA, CGA
Director of Finance/Treasurer

Attachment: Backgrounder

BACKGROUNDER

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 allowed 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.

Over time, 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.