

VACANCY REBATE APPLICATION REQUIREMENTS

Municipal Act, R.S.O. 2001, s.364; O. Reg. 325/01; O. Reg. 300/03; as amended

In order to qualify for a vacancy rebate of property taxes, a building or portion of a building must satisfy the following conditions described below:

- 1)** A building or structure on property that is classified in one of the commercial classes or industrial classes is prescribed to be an eligible property for the purposes of section 364 of the Act for a period of time if,
 - (a) the period of time is at least 90 consecutive days; and
 - (b) the entire building must be unused for at least 90 consecutive days
- 2)** A portion of a building on property that is classified in one of the commercial classes is prescribed to be an eligible property under section 364 of the Act for a period of time if the period of time is at least 90 consecutive days and throughout the period of time,
 - (a) the portion of the building was not used and was clearly delineated or separated by physical barriers from the portion of the building that was used; and
 - (b) the portion of the building,
 - (i) was capable of being leased for immediate occupation,
 - (ii) was capable of being leased but not for immediate occupation because it was in need of or undergoing repairs or renovations or was under construction, or
 - (iii) was unfit for occupation.
- 3)** A portion of a building on property that is classified in one of the industrial classes is prescribed to be an eligible property under section 364 of the Act for a period of time if,
 - (a) the period of time is at least 90 consecutive days; and
 - (b) throughout the period of time, the portion of the building was not used and was clearly delineated or separated by physical barriers from the portion of the building that was used.

Exclusions

Seasonal Property - Businesses that operate on a seasonal basis are not eligible for a rebate for the seasons that they are closed.

Leased Property - Buildings or portions of buildings that are vacant but are leased to a tenant are not eligible for a rebate.

Vacant Land Sub-Class - Buildings that are included in a vacant land sub-class (e.g. new buildings that have never been occupied) are not eligible for a rebate.

Eligibility Review:

It is both prudent and necessary to ensure that all applications for vacancy rebates are closely examined to confirm entitlement. To substantiate a claim for a rebate of property taxes, the following conditions must be met:

1. A complete and signed application form (provided by the City) must be filed with the City:
 - a maximum of two applications are permitted on one property each year.
 - an interim application may be submitted for vacancies occurring between January 1st and June 30th, and should be received by the City by July 31st.
 - a second application may be submitted for vacancies occurring between July 1st and December 31st and must be received by February 28th of the following year.
 - a single application may be submitted for all vacancies that occur during the tax year and must be received by February 28th of the following year.

2. In order to expedite the processing of your vacancy rebate application, the supporting documents must clearly identify the vacant unit or location, the square footage of the vacant area claimed and the vacancy period. The application must be supported by the following appropriate documents as proof:
 - a) a copy of the fully executed expired and fully executed current lease, including all signature pages and any sections that allow rent free use or early occupancy to the tenant before the commencement period begins. This lease information must establish by default the vacant period, provided that it discloses the square footage of the subject property; and,
 - b) a sketch/floor plan of the building and the square footage of the area(s), and,
 - c) documentation showing the last day the tenant occupied the space such as a letter of intent to vacate, a notice of eviction, a court order, Bailiff notice; and,
 - d) a copy of the rent roll for the property; and,
 - e) evidence that the property was advertised for rent/lease such as a dated copy of a real estate agent's listing agreement showing when the unit was available for rent and a copy of the subsequent lease provided that it discloses the square footage of the subject property; or, a copy of newspaper/internet advertisements corresponding to the period that a vacant unit was available for lease, provided that it discloses the square footage of the subject property
 - f) further information and/or documentation may be requested as deemed necessary to substantiate an application for a rebate.

The City will forward the applications to the Municipal Property Assessment Corporation (MPAC) to determine the portion of the property's Current Value Assessment (CVA) attributable to the vacant space. At the same time, the City will forward the application to their authorized agent in order to conduct a secondary verification process. This secondary verification will include a site inspection of the property and/or a request for further documentation. Once concluded, all applicable information is returned to the City and, if all verification procedures and documentation is approved, the rebate will be calculated.

Penalties

A person who knowingly makes a false or deceptive statement in an application for a rebate is liable, upon conviction, to a fine of double the amount of the rebate that the person sought to obtain through their false or deceptive statement.

For the purpose of verifying a vacancy rebate application, municipalities have been given similar rights as assessors to request information and obtain access to premises. A fine of \$100 per day may be imposed upon a property owner for failure to comply with a municipality's request for information.

** Please note it is the applicant's responsibility to ensure the City receives the application prior to the deadline date.

**Please direct any questions to the City of Vaughan, Finance Department at 905-832-8585 Extension: 8285