

Vacancy Rebate Program

Quick Facts

History of Vacancy Rebate Program

- Vacancy rebates were mandatory under Provincial legislation from 2001 to 2017
- The program was created subsequent to Property Tax Reform in 1998
- Property Tax Reform had resulted in the elimination of the Business Occupancy Tax and an increase in property taxation for commercial and industrial properties
- The rebate program was created to compensate property owners with vacant unproductive properties in which the increased taxation could not be recouped
- Rebates were set at 30% for commercial and 35% for industrial properties
- The property, or a portion of, must be vacant for a period of at least 90 days

Vacancy Rebate Program Today

- MPAC assessment methodologies now often factor into account vacancy impacts in property valuations, creating a *'double-dip'* effect
- Further property valuation reductions are often acquired by property owners through appeals
- The Province is now providing municipalities flexibilities to tailor programs to meet local needs
- Changes to the program is a County Council decision, subject to Ministry approval
- The Program creates administrative burden and cost
- It is a challenge for municipalities to ensure evidentiary requirements are satisfied
- The Municipality of Port Hope passed a resolution requesting the Ministry of Finance to allow municipalities to opt-out of the program
- Chronic vacancies are approximately 79% in Cobourg and Port Hope

