

Heritage Property Tax Relief Measure

Excerpt from the *Municipal Act, 2001*

[365.2 \(1\)](#) Despite section 106, a local municipality may establish a program to provide tax reductions or refunds in respect of eligible heritage property. 2002, c. 17, Sched. A, s. 69.

Definition

[\(2\)](#) In this section,

"eligible heritage property" means a property or portion of a property,

(a) that is designated under Part IV of the *Ontario Heritage Act* or is part of a heritage conservation district under Part V of the *Ontario Heritage Act*,

(b) that is subject to,

(i) an easement agreement with the local municipality in which it is located, under section 37 of the *Ontario Heritage Act*,

(ii) an easement agreement with the Ontario Heritage Foundation, under section 22 of the *Ontario Heritage Act*, or

(iii) an agreement with the local municipality in which it is located respecting the preservation and maintenance of the property, and

(c) that complies with any additional eligibility criteria set out in the by-law passed under this section by the local municipality in which it is located. 2002, c. 17, Sched. A, s. 69.

Amount of tax reduction

[\(3\)](#) The amount of the tax reduction or refund provided by a local municipality in respect of an eligible heritage property must be between 10 and 40 per cent of the taxes for municipal and school purposes levied on the property that are attributable to,

(a) the building or structure or portion of the building or structure that is the eligible heritage property; and

(b) the land used in connection with the eligible heritage property, as determined by the local municipality. 2002, c. 17, Sched. A, s. 69.

By-law requirements

- (4) In a by-law under this section, the local municipality,
- (a) must specify a percentage that satisfies the requirements of subsection (3) that will be used in calculating the amount of the tax reduction or refund to be provided in respect of eligible heritage properties;
 - (b) may specify different percentages of tax that satisfy the requirements of subsection (3) for different property classes or different types of properties within a property class;
 - (c) may specify a minimum or maximum amount of taxes for a year to be reduced or refunded under the by-law;
 - (d) may specify additional criteria that must be satisfied in order for a property to qualify as an eligible heritage property and may specify different criteria for properties in different property classes;
 - (e) may establish procedures for applying for a tax reduction or refund for one or more years. 2002, c. 17, Sched. A, s. 69.

Notice to Minister of Finance

(5) A local municipality shall deliver a copy of a by-law under this section to the Minister of Finance within 30 days after the by-law is passed. 2002, c. 17, Sched. A, s. 69.

Notice to upper-tier municipality

(6) A lower-tier municipality that passes a by-law under this section shall notify the upper-tier municipality of the amount of taxes to be reduced or refunded for lower-tier purposes under the by-law. 2002, c. 17, Sched. A, s. 69.

Tax reduction or refund by upper-tier municipality

(7) An upper-tier municipality that receives a notice under subsection (6) may pass a by-law to authorize a similar reduction or refund of taxes levied for upper-tier purposes. 2002, c. 17, Sched. A, s. 69.

Sharing of tax reduction or refund

(8) The following rules apply if a local municipality passes a by-law under this section:

1. If the local municipality is a single-tier municipality, the amount of the tax reduction or refund must be shared by the municipality and the school boards in the same proportion that they share in the revenue from taxes from the properties to which the tax reduction or refund relates.
2. If the local municipality is a lower-tier municipality and the upper-tier municipality passes a by-law described in subsection (7), the tax reduction or refund must be shared by both municipalities and the school boards in the same proportion that they share in the revenue from taxes from the properties to which the tax reduction or refund relates.
3. If the local municipality is a lower-tier municipality and the upper-tier municipality does not pass a by-law described in subsection (7), the tax reduction or refund must be shared,
 - i. without affecting the taxes levied for upper-tier purposes, by the lower-tier municipality and the school boards in the same proportion that they share in the revenue from taxes from the properties to which the tax reduction or refund relates, or
 - ii. by the school boards in the same proportion that they share in the revenue from taxes from the properties to which the tax reduction or refund relates and by the lower-tier municipality in respect of the taxes levied for both lower-tier and upper-tier purposes. 2002, c. 17, Sched. A, s. 69.

Application

(9) The following rules apply if a local municipality passes a by-law under this section:

1. An owner of an eligible heritage property in the municipality may obtain the tax reduction or refund for a year if the owner applies to the local municipality not later than the last day of February in the year following the first year for which the owner is seeking to obtain the tax reduction or refund.
2. The local municipality may, in the by-law, require owners of eligible heritage properties to submit applications for the tax reduction or refund in one or more years following the year of initial application. 2002, c. 17, Sched. A, s. 69.

Apportionment by assessment corporation

(10) A local municipality may request information from the assessment corporation concerning the portion of a property's total assessment that is

attributable to the building or structure or portion of the building or structure that is eligible heritage property and the land used in connection with it. 2002, c. 17, Sched. A, s. 69.

Same

[\(11\)](#) The assessment corporation shall provide the information requested by a local municipality under subsection (10) within 90 days after receiving the request. 2002, c. 17, Sched. A, s. 69.

Application against outstanding tax liability

[\(12\)](#) A local municipality may apply all or part of the amount of a tax reduction or refund in respect of an eligible heritage property against any outstanding tax liability in respect of the property. 2002, c. 17, Sched. A, s. 69.

Owner may retain benefit

[\(13\)](#) An owner of an eligible heritage property may retain the benefit of any tax reduction or refund obtained under this section, despite the provisions of any lease or other agreement relating to the property. 2002, c. 17, Sched. A, s. 69.

Penalty

[\(14\)](#) If the owner of an eligible heritage property demolishes the property or breaches the terms of an agreement described in clause (b) of the definition of "eligible heritage property" in subsection (2), the local municipality may require the owner to repay part or all of any tax reductions or refunds provided to the owner for one or more years under a by-law under this section. 2002, c. 17, Sched. A, s. 69.

Interest

[\(15\)](#) A local municipality may require the owner to pay interest on the amount of any repayment required under subsection (14), at a rate not exceeding the lowest prime rate reported to the Bank of Canada by any of the banks listed in Schedule I to the *Bank Act* (Canada), calculated from the date or dates the tax reductions or refunds were provided. 2002, c. 17, Sched. A, s. 69.

Sharing of repayment

[\(16\)](#) Any amount paid under subsection (14) or (15) to a local municipality in respect of a property must be shared by the municipalities and school boards that share in the revenue from taxes on the property, in the same proportion that they shared in the cost of the tax reduction or refund on the property under this section. 2002, c. 17, Sched. A, s. 69.

Collection remedies

[\(17\)](#) Sections 349 and 350 apply in respect of an amount owing under subsection (14) or (15). 2002, c. 17, Sched. A, s. 69.

Regulations

[\(18\)](#) The Minister of Finance may make regulations,

(a) governing by-laws under this section, including procedures for a tax reduction or refund;

(b) governing the provision of tax reductions or refunds under by-laws passed under this section, including the establishment of deadlines for payments of refunds by municipalities. 2002, c. 17, Sched. A, s. 69.