

BY-LAW NUMBER 119-2024

A BY-LAW TO ESTABLISH A VACANT HOME TAX IN THE CITY OF WINDSOR

Passed the 8th day of July, 2024.

WHEREAS pursuant to the provisions of subsection 338.2(1) of the *Municipal Act, 2001* (the "Act"), Council may, by by-law passed in the year to which it relates, impose a tax in the municipality on the assessed value, as determined under the *Assessment Act*, of vacant units that are classified in the residential property class and that are taxable under the Act for municipal purposes;

AND WHEREAS Section 425 of the Act authorizes a municipality to pass by-laws providing that a person who contravenes a by-law of the municipality passed under the Act is guilty of an offence;

AND WHEREAS Council of the City deems it appropriate to enact this by-law for the purpose of imposing a tax in the City of Windsor on the assessed value of vacant units that are classified in the residential Home class and are taxable under the Act for municipal purposes;

THEREFORE the Council of the Corporation of the City of Windsor enacts as follows:

DEFINITIONS:

1. In this by-law (the "By-law"):

"Audit Determination Notice" shall have the meaning set out in subsection 12. (2);

"Current Value Assessment " or **"CVA"** means the current value of a Residential Unit as determined by the Municipal Property Assessment Corporation as of the Billing Date;

"Billing Date" means the date of the Tax Notice;

"City" means The Corporation of the City of Windsor;

"City Treasurer" means the City Treasurer of the City, or delegate;

"Council" means the Council of the City;

"Declaration of Occupancy Status Form" means the form to be filled out by the Owner of a Residential Unit;

"Declaration Due Date" means the date specified on the on the request for Declaration of Occupancy Status Form from the City;

"Deemed Vacant Home" shall have the meaning set out in s. 6;

"Listed for Rent Exemption" means that a Vacant Home that was publicly listed for rent for a period up to twelve (12) consecutive months

"Listed for Sale Exemption" means that a Vacant Home that was publicly listed for sale for a period up to twelve (12) consecutive months.

"Occupied" means a Residential Unit that was the Principal Residence of any of

the following for at least 183 days in any Taxation Year, save and except during the 2024 Taxation Year, for at least 140 days during such period;

- (a) An Owner; or
- (b) An immediate family member of an Owner, or
- (c) An individual who has entered into a formal residential lease or rental agreement under a term of no less than 183 days, save and except during the 2024 Taxation Year, for at least 140 days during such period.

“Owner” means the registered legal owner of the Residential Unit;

“Payment Due Date” means the date upon which the VHT is due and payable as set out in the Tax Notice;

“Principal Residence” means a person’s legal/official place of residence regardless of how many days they were physically present at the property;

“Residential Unit”

means a room or suite of rooms in a building used or designed to be used by one (1) or more individuals as an independent and separate housekeeping unit;

“Tax Rate” means the percentage rate of taxation that will be applied to the CVA of a Residential Unit to determine the amount of VHT payable. The Tax Rate approved by Council for 2024 and future years is 3%;

“Vacant Home Tax” or “VHT” means a tax levied against a Vacant Home or Deemed Vacant Home in accordance with the provisions of this By-law. The VHT is calculated by multiplying the Tax Rate by the CVA;

“Tax Notice” shall have the meaning set out in s.7(1);

“Taxation Year” means the calendar year to which the VHT applies;

“Vacant Home” means any Residential Unit not Occupied for more than 183 days in any Taxation Year, save and except save and except during the 2024 Taxation Year, for at least 140 days during such period;

INTERPRETATION BULLETINS AND GUIDELINES

2. In administering this By-law, the City Treasurer may issue such interpretation bulletins, guidelines, procedures and policies as the City Treasurer, from time to time, determines necessary or advisable.

FORMS

3. The City Treasurer may approve the use and format of forms for any purpose of this By-law and the forms may require the provision of such information as the City Treasurer deems necessary for the enforcement and proper administration of this By-law.

REPORTING OF OCCUPANCY STATUS

4. The City may request an Owner to complete and submit a Declaration of Occupancy Status Form. Where such a request has been made, the Owner shall complete and submit a Declaration of Occupancy Status Form to the City for each Residential Unit of which they are the Owner, in respect of the Taxation Year, by the Declaration Due Date.

EXEMPTIONS

5. The VHT imposed under this By-law does not apply to,
- (a) Residential Units that are Occupied;
 - (b) Residential Units undergoing active and ongoing repairs and renovations of which there is an open and active building permit(s) issued by the City;
 - (c) A Residential Unit that is listed publicly for sale or rent for a period of up to 12 consecutive months. The Listed for Sale Exemption is limited to once per ownership term. The Listed for Rent Exemption may be claimed multiple times provided that the periods the Residential Unit is not Occupied, are separated by a tenancy lasting no less than 12 months and verified by way of executed lease;
 - (d) A Residential Unit that has changed ownership in whole by way of an arm's length transaction, shall not be subject to the VHT for the Taxation Year during which the transaction occurred;
 - (e) A Residential Unit that is not Occupied for a period of up to two (2) years following the date the registered owner was admitted to care (hospitalization, long-term care);
 - (f) A Residential Unit whose owner has died will be exempt from a VHT levy in the period of up to twenty-four (24) months beginning the month after the owner(s)' death, provided the Residential Unit was Occupied at the time of death. Applies to the legal estate or heir without any extension to the exemption period (24 months);
 - (g) A Residential Unit that is owned by a business and used exclusively as a part-time Residential Unit by their employees, directors, or clients for a minimum of 183 days during the Taxation Year, save and except during the 2024 Taxation Year, for at least 140 days during such period;
 - (h) A Residential Unit with a court order preventing occupancy during the Taxation Year, unless the court order is conditional on an action of the owner, or the state and condition of the Residential Unit and the owner has not made reasonable efforts to remedy the circumstances that led to the court order;
 - (i) Multi-residential properties (more than 6 units); or
 - (j) A Residential Unit that is a group home, lodging home, or is managed or considered social or affordable housing and is in receipt of funding from the City.

DEEMED VACANT HOME

6. The City Treasurer may deem a Residential Unit to be a Vacant Home if the Owner fails to submit the Declaration of Occupancy Status Form to the City Treasurer for each Residential Unit of which they are the Owner, in respect of the Taxation Year, by the Declaration Due Date, or fails to provide the information required pursuant to s.10.

ASSESSMENT AND NOTICE OF TAX

7.(1) Following the Declaration Due Date the City Treasurer shall review each Declaration of Occupancy Status Form, assess the VHT payable in respect of each Vacant Home and each Deemed Vacant Home, and issue a Tax Notice to the Owner setting out the amount of VHT payable and the Payment Due Date.

7.(2) The City Treasurer may assess or reassess any Owner for any VHT payable by an Owner under this By-law for a Vacant Home or Deemed Vacant Home at any time, for the previous two Taxation Years. In the event of a

conviction under s. 14 of this By-law, the City Treasurer may assess or reassess any Owner for any VHT payable by an Owner under this By-law for a Vacant Home or Deemed Vacant Home, at any time and for any period that the City Treasurer considers reasonable.

8.(1) Every Owner of a Vacant Home and every Owner of a Deemed Vacant Home shall pay the VHT.

8.(2) VHT shall be calculated by multiplying the CVA by the Tax Rate. VHT shall not be prorated for any time the Vacant Home or Deemed Vacant Home was Occupied in the Taxation Year.

8.(3) The VHT is payable by the Payment Due Date regardless of whether a complaint or appeal from the VHT is made or taken.

9. The VHT shall be added to the property tax account of the Vacant Home or Deemed Vacant Home, and shall be payable in one instalment on the Payment Due Date. Interest at the rate of 15% per annum, calculated at the rate of 1.25% monthly shall be charged on the amount of any VHT payable under this By-law on the business day following the Payment Due Date and on the first day of each month thereafter.

COMPLIANCE AND AUDIT

10. The City Treasurer is authorized to request information and evidentiary documentation from Owners to determine occupancy status of a Residential Unit.

11. The City Treasurer is authorized to take any and all action that is deemed necessary to enforce compliance with this By-law, and to undertake audits and inspections as necessary for the collection and payment of the VHT.

APPEALS AND DISPUTE RESOLUTION

12.(1) An Owner may file a Notice of Complaint form if they choose to dispute their VHT Tax Notice. The form, along with supporting documentation, must be filed with the City Treasurer within 30 days of the date of on the VHT Tax Notice.

12.(2) The Notice of Complaint from the Owner will be reviewed by the City's Taxation Department and the results will be provided in a VHT Audit Determination Notice.

12.(3) Within 30 days of the date of the Audit Determination Notice, the Owner may appeal by filing a Request for Review with the City Treasurer. The Request for Review will be reviewed by the City Treasurer, whose decision shall be final.

RECOVERY OF VHT

13. The City Treasurer shall add the unpaid amount of VHT under this By-law to the property tax account for the Vacant Home and the unpaid amount shall be collected in the same manner as property taxes.

OFFENCES AND FINES

14.(1) Any Person contravening any provision of this By-law is guilty of an offence and on conviction is liable to such fine as is provided for under the Provincial Offences Act, R.S.O. 1990, Chapter P.33, as amended from time to time.

14.(2) Despite the provisions of subsection 13. (a) the fine for submitting a false or misleading Declaration of Occupancy Status Form is \$3,500.00.

ANNUAL REPORTING

15. The City Treasurer will include the results VHT program annually through the year end reporting process.

GENERAL

16. The City Treasurer shall be responsible for the administration and enforcement of this By-law and may delegate the performance of any one or more of his or her functions under this By-law to one or more persons from time to time as the occasion requires and may impose conditions upon such delegation and may revoke such delegation and may continue to exercise any function delegated during the delegation.

17. If any section or portion of this By-law is found to be invalid by a court of competent jurisdiction, all remaining sections and portions of the By-law continue in full force and effect.

18. That By-law 91-2024 passed the 27th day of May 2024, is hereby repealed.

19. This By-law is deemed to have come into force and take effect on March 27, 2024.

20. This By-law may be referred to as the "Vacant Home Tax By-law".

DREW DILKENS, MAYOR

CITY CLERK

First Reading - July 8, 2024
Second Reading- July 8, 2024
Third Reading - July 8, 2024