

VACANT HOME TAX PROGRAM (VHT) FAQ SHEET

BACKGROUND OF THE VACANT HOME TAX

- In 2017, the former Ontario government announced the Fair Housing Plan, providing municipalities with an ability to impose a tax on vacant homes. The intent of this program is to stimulate affordable housing by making it less attractive for a property owner to allow a residential property to remain unused.
- At this time, the Ontario cities of Ottawa and Toronto have VHT programs in place, many others are conducting research and/or developing frameworks for possible implementation.
- In December 2021, City Council directed administration to develop and implement a Vacant Home Tax program to encourage owners of unoccupied residential dwellings to either sell or rent out these properties in order to increase the City's housing supply. The tax would not apply to principal residences.
- In December 2023, Council approved the recommended VHT program whereby owners of unoccupied residential dwellings will be asked to declare whether the property is their principal residence, and if not, what is its occupancy status. Administration will also reach out with respect to those owners of property known to be vacant and will follow up on public tips.
- Administration submitted a package including a design summary of our VHT program to the Ministry of Finance (MOF). The City was requesting the MOF to formally designate the City with approval to impose the VHT. Within a week of submitting our package, the Ministry of Finance released the 2024 budget including a new Regulation with respect to the VHT. Effective March 27, 2024, municipalities would no longer require designation by the MOF in order to impose a VHT, and instead provided a Provincial Policy Framework providing best practices and clarity about the expected elements of the VHT program.

LAUNCH DATE OF THE PROGRAM

- The official launch date of the VHT was Tuesday June 11th, 2024. The original By-law has been repealed and replaced by By-law 119-2024.

DETERMINING WHETHER A PROPERTY SHOULD BE ASSESSED VHT

- Applies to only residential properties (not vacant lots, must have a home on the property).
- To determine whether a property is subject to VHT for all taxation years except 2024, a residential unit must be vacant for greater than 183 days in the year.
- To determine whether a property was subject to VHT in 2024, a residential property would have had to been vacant for greater than 140 days between March 27th and December 31st 2024. Administration will not be reviewing vacancy prior to March 27th, 2024 as this is the date that the Ministry of Finance granted the ability for all municipalities to administer their own VHT.

EXEMPTIONS – A vacant residential property will be subject to VHT unless it meets one of the following exemptions:

- (a) It is the principal residence of any of the following for at least 183 days (140 days in 2024) during the taxation year:
- i. The assessed owner
 - ii. An immediate family member of the assessed owner, or
 - iii. An individual who has entered into a formal residential lease or rental agreement (tenant) under a term of no less than 183 days (140 days in 2024).

(A person's principal residence is their official place of residence, the address on their government documents, as registered with the Canada Revenue Agency (CRA).)

- (b) It is undergoing active and ongoing repairs and renovations of which there is an open and active building permit(s) issued by the City of Windsor.
- (c) It is on land for which a development/redevelopment application has been approved by the City of Windsor. The effective period would be retroactive to the date the application was filed until one year after the date the application was approved.
- (d) It 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 unoccupied periods are separated by a tenancy lasting no less than twelve months and verified by way of executed lease.

- (e) It has changed ownership in whole by way of an arm's length transaction; the unit will not be subject to VHT for the taxation year during which the transaction occurred.
- (f) The registered owner was admitted to care (hospitalization, long-term care) – the exemption applies for a period up to two years from the date admitted to care.
- (g) The registered owner has died – the exemption applies for a period of up to two years starting the month after the owner's death, provided the unit was occupied at the time of death. The exemption applies to the legal estate or heir without any extension to the exemption period.
- (h) It has a court order preventing occupancy during the taxation year, unless the order is conditional on an action of the owner, or the state and condition of the property, and the owner has not made reasonable efforts to remedy the circumstances that led to the order;
- (i) It is a unit in a multi-residential property (greater than six units);
- (j) It is a unit that is managed or considered social or affordable housing and is in receipt of funding from the City of Windsor.

TIPS FROM THE PUBLIC

- Anyone can provide information on vacant residential properties by calling 311, emailing yht@citywindsor.ca or coming in to the Customer Service Counter on the 1st floor at 350 City Hall Square.
- We require the following information:
 - Address of the property
 - Period of vacancy – can be estimated, identify months/year
 - Owner's name if known
 - Informant's name, phone number and/or email address (optional)

DECLARATION OF OCCUPANCY STATUS FORM

- A Declaration of Occupancy Status form must be filed by the owner of a residential unit that was not their principal residence and was vacant for more than 183 days (140 days in 2024) in the taxation year.

Thus, most homeowners in the City of Windsor will not have to submit a Declaration of Occupancy Status.

- The form may be accessed on the City of Windsor website, picked up at the Customer Service Counter on the 1st floor of 350 City Hall Square, or requested to be received by mail.
- Completed forms can be:
 - Emailed to vht@citywindsor.ca
 - Dropped off in person at the Customer Service Counter on the 1st floor of 350 City Hall Square
 - Mailed to:
Tax Division – VHT
City of Windsor
Suite 410, 350 City Hall Square West
Windsor, ON N9A 6S1
- City Administration may contact and request a Declaration of Occupancy Status form from a property owner based on a tip from the public, or information from other City of Windsor departments. If no form is received within 30 days, City Administration may deem the property vacant and bill the VHT.
- A penalty of \$3,500 will be imposed for declarations determined to be deliberately false or misleading in order to avoid the VHT.

CALCULATION AND BILLING OF THE VHT

- The tax will be calculated as a percentage of the assessed value of the residence. City Council has increased the tax rate to 4% for 2026 and subsequent tax years (previously 3%) per amending By-law 52-2026. The assessed value is determined by the Municipal Property Assessment Corporation (MPAC) for the taxation year. There will be no proration based on number of days vacant.
- A bill will be sent to the property owner, and they will have ninety days to pay. If not paid by the due date, the VHT levy will be added to the property

tax account and will be subject to interest calculated at 1.25% per month as long as the amount remains unpaid.

COMPLIANCE AND AUDIT

- City Administration is authorized to request evidentiary documentation from property owners to determine whether a property should be assessed the VHT (i.e. government issued ID, utility bills, lease information, etc).
- City Administration is authorized to take any action necessary including inspection and audit, to enforce compliance relative to the billing and collection of the VHT.
- An owner may be assessed or reassessed for any VHT payable for a vacant home or deemed vacant home at any time, for the previous two taxation years. Where an owner has been found to have deliberately filed a false declaration and fined \$3,500, the City may assess the VHT at any time and for any period that the City Treasurer considers reasonable.

APPEALS AND DISPUTE RESOLUTION

- A property owner will have 30 days from the date of the VHT bill to file a Notice of Complaint if they wish to dispute the VHT charge. Supporting documentation for review must accompany the Notice of Complaint.
- The submission from the property owner will be reviewed by a City Manager and Deputy Treasurer, and results will be communicated in a VHT Audit Determination Notice.
- Within 30 days of receiving the VHT Audit Determination Notice, the property owner will have the opportunity to appeal by filing a Request for Review. This request will be reviewed by the City Treasurer. The City Treasurer will notify the owner via Notice of Decision, and this decision will be considered final.
- All this information, including links to the forms, can be accessed at:

[Property Taxes and Assessment | City of Windsor \(citywindsor.ca\)](https://www.citywindsor.ca/property-taxes-and-assessment)