



**City of Sault Ste. Marie Council Resolution**

**Regular Council Meeting**

**Agenda Number:** 12.1.1.  
**Title:** By-law 2024-168 (Municipal Vacant Home Tax)  
**Date:** Monday, December 2, 2024

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**Moved by:** Councillor A. Caputo  
**Seconded by:** Councillor S. Hollingsworth

Resolved that By-law 2024-168 being a by-law to establish a vacant home tax in the City of Sault Ste. Marie be passed in open Council this 2nd day of December, 2024.

**Carried**

A handwritten signature in blue ink, appearing to read 'MS', is written over a horizontal line.

Matthew Shoemaker

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2024-168

**MUNICIPAL VACANT HOME TAX:** Being a by-law to establish a vacant home tax in the City of Sault Ste. Marie.

**WHEREAS** pursuant to the provisions of subsection 338.2(1) of the *Municipal Act*, 2001, as amended, (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 338.2(2) of the Act provides that a by-law established by a designated municipality to impose a vacancy tax shall satisfy the criteria contained within that section;

**AND WHEREAS** section 338.2(3) of the Act further provides that a by-law established by a designated municipality to impose a vacancy tax may establish additional requirements as Council considers appropriate;

**AND WHEREAS** on March 27, 2024, O. Reg 458/22 was amended to designate every single-tier municipality as being able to impose a vacant tax against vacant units that are classified in the residential property class in accordance with Part IX.1 of the Act.

**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** Section 429 of the Act authorizes a municipality establish a system of fines for offences under a by-law passed under the Act;

**AND WHEREAS** on March 20, 2023 Council passed a resolution directing the Affordable Housing Task Force review and report back to Council on the feasibility and benefit of implementing a Vacant Property Tax;

**AND WHEREAS** on April 29, 2024, following receipt of a report from the Director of Planning and Chief Financial Officer, Council passed a resolution that a Vacant Property Tax be implemented in 2025 for 2024 vacancies;

**AND WHEREAS** Council of the City deems it appropriate to enact this bylaw for the purpose of establishing a municipal vacant home tax on the unoccupied units that are classified in the residential property class in the City of Sault Ste. Marie;

**NOW THEREFORE** the Council of the City hereby 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 Sault Ste. Marie;

"Treasurer" means the Treasurer of the City as appointed by Council;

"Council" means the Council of the City;

"Chief Building Official" means Chief Building official of the City as appointed by Council;

"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 section 6;

"Occupied" means a Residential Unit that was the Principal Residence of any of the following for at least 183 days in any Taxation Year;

(a) An Owner; or

(b) An individual who has entered into a formal residential lease or rental agreement under a term of no less than 183 days.

"Owner" means the registered legal owner of the Residential Unit or the Owner's family member(s);

"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 4%;

"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 subsection 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;

## **INTERPRETATION BULLETINS AND GUIDELINES**

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

## **FORMS**

3. The Treasurer, or their designate, 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 they deem necessary for the enforcement and proper administration of this By-law.

## **REPORTING OF OCCUPANCY STATUS**

4. The City, by means of the Treasurer or their designate, as delegated to do so, 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) In the judgement of the Chief Building Official, the Residential Unit(s) are undergoing active and ongoing major repairs and the occupant is unable to continue to reside within the unit during the major repair, and of which there is an open and active building permit(s) issued by the City;
- (c) In the judgement of the Chief Building Official, the unit is otherwise uninhabitable for reasons beyond the Owner's control;
- (d) A Residential Unit that has changed ownership in whole by way of an arm's length transaction, shall not be subject to a VHT levy 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 used exclusively as a Short-Term Rental if registered with the City in accordance with the City's Short-Term Licensing By-law and occupied for a minimum of 100-days in the taxation year;
- (h) The property is classified as seasonal (including properties that are classified by Municipal Property Assessment Corporation as falling under property codes 363, 364, 385, 391, 392, and 395);
- (i) 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;
- (j) Multi-residential properties (more than 6 units);
- (k) Units owned/managed by not-for-profit organizations and social housing; or
- (l) A newly constructed unit classified in the residential property class that has not been on the assessment roll for a full calendar year and has been continuously listed for sale or lease.

#### **DEEMED VACANT HOME**

6. The Treasurer, or their designate, may deem a Residential Unit to be a Vacant Home if the Owner fails to submit the Declaration of Occupancy Status Form to the Treasurer, or their designate, 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 section 10.

#### **ASSESSMENT AND NOTICE OF TAX**

7.(1) Following the Declaration Due Date the Treasurer, or their designate, 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) In the event of a conviction under section 14 of this By-law, the Treasurer, or their designate, 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, or their designate, considers reasonable.

#### **CALCULATING THE VACANT HOME TAX**

8.(1) 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.(2) The VHT is payable by the Payment Due Date regardless of whether a complaint or appeal from the VHT is made or taken.

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

### **TAX ROLL**

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. By virtue of this By-law, the City is authorized to request evidentiary documentation from property owners to determine occupancy status of a Residential Unit.

11. Administration is authorized to take any and all action that is deemed necessary to enforce compliance, and to undertake audits and inspections as necessary relative to the collection and remittance 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's Taxation Department 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 Treasurer. The Request for Review will be reviewed by the Treasurer, whose decision shall be final.

### **RECOVERY OF VHT**

13. The Treasurer, or their designate, 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.

### **PENALTIES AND OFFENCES**

14. (1) The City's By-law enforcement shall be responsible to enforce any offence under this By-law.

14.(2) No Person shall make a false declaration or submit fraudulent documents in relation to this By-law.



14. (3) 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. (4) Any Person contravening section 14. (2) of this By-law may be subject to a minimum penalty of \$500, but not a penalty more than \$10,000.00.

## **ANNUAL REPORTING**

15. The Treasurer, or their designate, will include the results VHT program annually through the year end reporting process.

## **GENERAL**

16. The Treasurer, or their designate, shall be responsible for the administration this By-law and may delegate the performance of any one or more of their 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. This By-law may be referred to as the "Vacant Home Tax By-law".

## **EFFECTIVE DATE**

19. This by-law takes effect on the date of its final passing with vacant units being assessed in the same year of the passing of this By-law.

**PASSED** in open Council this 2<sup>nd</sup> day of December, 2024.



**MAYOR – MATTHEW SHOEMAKER**



**CITY CLERK – RACHEL TYCZINSKI**