

Ministry of Finance

Provincial-Local
Finance Division

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Ministère des Finances

Division des relations provinciales
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April 26, 2021

MEMORANDUM TO:

Brian Rosborough, Monika Turner, and Craig Reid
Association of Municipalities of Ontario (AMO)

Casey Brendon
Ontario Municipal Tax and Revenue Association (OMTRA)

Donna Herridge
Municipal Finance Officers' Association of Ontario (MFOA)

FROM:

Allan Doheny
Assistant Deputy Minister, Provincial Local Finance Division

SUBJECT:

Property Tax Refund Applications related to Business Shutdowns

The Ministry of Finance has recently received requests from the Association of Municipalities of Ontario as well as professional municipal associations for clarification regarding the meaning and intent of section 357(1)(d) of the *Municipal Act, 2001* and section 323(1)(d) of the *City of Toronto Act, 2006*.

As you know, these provisions of the legislation enable property owners to apply to municipalities for a cancellation, reduction or refund of taxes if:

during the year or during the preceding year after the return of the assessment roll, a building on the land,

(i) was razed by fire, demolition or otherwise, or

(ii) was damaged by fire, demolition or otherwise so as to render it substantially unusable for the purposes for which it was used immediately prior to the damage

We understand that questions are being raised by your member municipalities as to whether these provisions would encompass business closures for part of a tax year due to public health orders resulting from COVID-19.

While it is the responsibility of each local municipality to interpret and administer these sections for itself, it is the Ministry's view that sections 357(1)(d) and 323(1)(d) are not intended to provide relief in a situation where a property **has not been physically damaged or demolished**.

Businesses impacted by the COVID-19 shut-downs may be able to apply for the Property Tax and Energy Cost Rebates program, which provides grants to eligible businesses. These rebates will cover the entire length of time that an eligible business is required to temporarily close or significantly restrict services due to being located in areas categorized as Control, Lockdown or Provincewide Shutdown, and previously modified Stage 2 public health restrictions.

For those municipalities that continue to offer the Vacant Unit Rebate program, property owners who have vacancies in commercial and industrial buildings that meet certain criteria set out in regulation or municipal by-law may apply for a rebate for the period of vacancy.

The federal government has also made a range of supports available, such as the Canada Emergency Rent Subsidy (CERS). Eligible businesses may receive up to 90% of eligible expenses including property taxes. Additional information is available at: <https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-rent-subsidy.html>.

If you have further questions regarding this matter, please contact Diane Ross, Director, Assessment Policy and Legislation Branch, at diane.ross@ontario.ca.

I look forward to continuing to work with your associations as part of our ongoing consultations and collaboration.

Sincerely,



Allan Doheny
Assistant Deputy Minister
Provincial-Local Finance Division

cc: Jonathan Lebi, Assistant Deputy Minister
Local Government and Planning Policy Division
Ministry of Municipal Affairs and Housing

Caspar Hall
Director, Municipal Finance Policy Branch
Ministry of Municipal Affairs and Housing