




COMMUNICATION UPDATE

TO:	Mayor and Members City Council
DATE:	September 8, 2023
SUBJECT:	Vacant Unit Tax – September 2023 Flyer (City Wide)
WARD(S) AFFECTED:	City Wide
SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

To ensure property owners are continually informed of the upcoming implementation of the Vacant Unit Tax, the City will be sending a neighbourhood flyer starting the week of September 11, 2023. The attached flyer will be distributed to over 180,000 residential units. As the City does not have information on who occupies residential units, tenants and permitted occupants will also receive the flyer in their mailbox.

Background

The Vacant Unit Tax is one of the multiple measures that Council has approved to address the City's housing crisis. By discouraging property owners from leaving units vacant, the City aims to increase housing availability at a time when housing is greatly needed. Starting in 2024, the City will be charging an additional one per cent tax on any property that has been left vacant for more than 183 days in a year. Net revenues resulting from this tax will be reinvested into housing initiatives.

In December 2023, the City will also be mailing a letter to residential property owners with instructions on how to complete the mandatory occupancy declaration form, which can be submitted online or by mail. Tenants and permitted occupants will not have to complete the occupancy declaration form.

All residential property owners must submit a mandatory occupancy declaration form annually to determine if their property is subject to the tax. If an occupancy declaration form is not submitted, the property will be considered vacant and the Vacant Unit Tax will be charged. A principal residence will not be subject to the Vacant Unit Tax but is still required to submit an occupancy declaration form annually.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

Exemptions

There are some instances where a property may be left vacant and be exempt from the Vacant Unit Tax including:

- Death of an owner (exemption applies to the year of death plus one subsequent year only).
- Major renovations, where a building permit has been issued.
- Sale of the property (the exemption applies in the year of the sale if the transfer is to an unrelated individual or corporation).
- The principal resident is in a hospital or long-term care facility.
- A court order that prohibits occupancy of the unit.

Key Dates

Mid-December 2023:	Mandatory declaration form mailed
March 31, 2024:	Mandatory declaration form submission deadline
April 1-30, 2024:	Late mandatory declaration forms will be accepted with a fee
First week of June 2024:	Vacant Unit Tax bills are mailed out with Final Property Tax bills
June 28, 2024:	First Vacant Unit Tax payment due
July 2, 2024:	Complaint/appeal period begins
September 30, 2024:	Second Vacant Unit Tax payment due

For more information about the Vacant Unit Tax, please visit www.hamilton.ca/VacantUnitTax or contact VacantUnitTax@hamilton.ca .

Reports and Communications Strategies

November 2023:	Upcoming report and By-Law approval
September 2023:	Flyer mail out and Communications Update
June 2023:	Flyer included with the property tax bill and email to Council
April 2023:	Flyer mail out and email to Council
January 18, 2023:	Report Vacant Unit Tax Program Framework (FCS21017(c))
February 2, 2022:	Report Vacant Home Tax in Hamilton (FCS21017(b))
July 5, 2021:	Report Considerations to Implement and Vacant Home Tax in Hamilton (FCS21017(a)/PED21114)
February 25, 2021:	Report Considerations to Implement and Vacant Home Tax in Hamilton (FCS21017)

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Communication Update – September 2023 Vacant Unit Tax Flyer

GR/dt

VACANT UNIT TAX

Coming January 2024

The City of Hamilton is implementing a Vacant Unit Tax starting in 2024.

The Vacant Unit Tax is intended to support the City's housing efforts by encouraging owners to rent out or sell vacant properties.

What residential property owners need to know

- The Vacant Unit Tax (VUT) is an annual tax on residential units that have been vacant for more than 183 days in the previous calendar year.
- All residential property owners must submit a mandatory occupancy declaration annually starting in January 2024 to determine if their property is subject to the tax.
- Completed declarations can be submitted online or by mail.
- If an occupancy declaration is not submitted, the property will be considered vacant and the VUT will be charged.
- A principal residence will not be subject to the VUT but is still required to submit an occupancy declaration annually.
- The tax rate of 1% of the property's assessed value will be charged to properties considered vacant.

For more information, please visit



hamilton.ca/VacantUnitTax

or email



vacantunittax@hamilton.ca

Exemptions

There are some instances where a property may be left vacant and be exempt from the VUT:

- Death of an owner (exemption applies to year of death plus one subsequent year only).
- Major renovations that make living in the unit impossible for more than 183 days in the same calendar year, provided a building permit has been issued.
- Sale of the property (the exemption applies in the year of the sale if the transfer is to an unrelated individual or corporation).
- Principal resident is in a hospital or long-term care facility.
- A court order that prohibits the occupancy of the unit.

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