

HERITAGE TAX REBATE PROGRAM GUIDELINES

PURPOSE

Well-maintained heritage properties give communities a unique character and enrich our quality of life. Restoring heritage properties has been a catalyst for revitalizing historic town centres and drawing residents, businesses and visitors to communities. While heritage properties provide benefit and enjoyment to the whole community, most of these properties are in private ownership.

It is this historical significance which is being preserved through the protection and enhancement of its local heritage properties. The incorporation of these resources into the fabric of our community has provided a distinct sense of place, which contributes to the evolution and character of our Town. The preservation of heritage properties benefits of all members of the community.

Every owner is responsible for the normal upkeep and maintenance of their property. However, it is recognized that heritage properties may require more intensive care, custom work or restoration at a somewhat higher cost than one would encounter with newer buildings. Viable and well-maintained designated properties enhance the sense of history and community, and also provide educational value for future generations. In 2005, Council established a heritage tax rebate program for designated heritage properties within the Town of Penetanguishene. This policy was reviewed by Heritage Penetanguishene and Council in 2011.

Property tax relief supports heritage conservation by recognizing that owners of heritage properties often incur above average costs to maintain aging structures and the heritage attributes of these properties.

1. GENERAL

- a. Refunds shall be subject to the availability of funding for the program.
- b. The program may be eliminated by Council through repeal of the By-law at any time with no prior notice whatsoever to affected persons.
- c. The program is subject to any regulations that the Minister of Finance may make governing By-laws on tax refunds or reductions for heritage properties.
- d. The program shall be administered through Heritage Penetanguishene, with final approval subject to the Planning & Development Services Section, or designated committee, endorsement.

2. PROGRAM ELIGIBILITY

- a. All property tax classes that are subject to municipal tax billing within the Town of Penetanguishene shall be eligible for application subject to terms and conditions contained within the policy.

- b. The property must be an eligible heritage property designated under the *Ontario Heritage Act* as a property of cultural heritage value or interest under Part IV of the *Ontario Heritage Act* (an individual property designation).
- c. Eligible heritage property means a property or portion of a property that is designated under Part IV of the *Ontario Heritage Act* or is part of a heritage conservation district under Part V of the *Ontario Heritage Act* or property or a portion of property that is subject to an easement agreement with the Town of Penetanguishene, under section 37 of the *Ontario Heritage Act* or an easement agreement with the Ontario Heritage Foundation, under section 22 of the *Ontario Heritage Act*.
- d. The property must comply with both provincial and municipal eligibility requirements.
- e. The property may be subject to a *Heritage Easement Agreement by December 31st of the taxation year for which the tax rebate is sought. (*A Heritage Easement Agreement is a legal agreement registered on the property title, permitted by the authority of the Ontario Heritage Act, to protect properties of historical or architectural interest).
- f. Property taxes must not be in arrears. If tax arrears are attributable to an eligible heritage property, no Heritage Tax Rebate shall be given. In the event that an owner pays any and all outstanding tax liabilities in respect of an eligible heritage property, the owner may apply for a Heritage Tax Rebate and shall qualify for a full Heritage Tax Rebate.
- g. The property must not be subject of any Town By-law contraventions, work orders or other outstanding municipal requirements that relate to the heritage designation attributes or proposed works.

3. APPLICATION DETAILS

- a. An application must be made for every year that an owner wishes a property to be considered for a Heritage Tax Rebate.
- b. Applications shall be on the prescribed form.
- c. Applications may be submitted only in the month of February of any given year. The application shall be in the year following the year for which the owner is seeking to obtain the Heritage Tax Rebate. Applications received outside of this time frame, whether earlier or later, will not be considered.
- d. Applications shall include submission of a certificate (or letter) from your insurance company/broker/agent confirming a valid insurance policy insuring the building against normal perils that are coverable by all risk property insurance in an amount equal to the replacement cost of a similar scaled new building with an exterior design complementary to the existing structure.
- e. Applications shall include submission of a current photograph of each elevation of the building (north, south, east and west) with the date of the photograph on the back.

- f. Applications shall include detailed identification of all work completed in the preceding year and anticipated work for the upcoming year, along with the cost/estimated cost of said work. The work must relate to the maintenance or enhancement of the heritage attributes of the property. General property expenses such as, but not limited to utilities or general day-to-day property functions (insurance payments) are not eligible as work to the property for the purpose of applying for a rebate under this program. In the event of a dispute between the property owner and Heritage Penetanguishene on what qualifies for a rebate, Section shall review the matter and the decision of Section is final.
- g. The total cost/estimated cost of the above noted work must be equivalent to or greater than the value of the rebate which is being applied for.
- h. Work to the property must be completed in accordance with the procedures for renovations/alterations to designated heritage properties. Receipt of the heritage tax rebate does not constitute approval for said work. Property owners shall file a written request including a proposed work plan with the Clerk and shall appear before Heritage Penetanguishene to present their proposal. A site visit may be required by the Town Clerk and/or members of the Heritage Penetanguishene to review the proposed work prior to commencement.

4. LIMITATIONS

- a. Property taxes are comprised of 3 components; town tax; county tax & education tax. The amount of the annual tax refund shall be 40% of the town component and education component of the taxes paid on the eligible property subject to available funding in the Town's annual budget.
- b. Properties that qualify for more than one financial assistance program offered by the Town of Penetanguishene from time to time shall only be eligible to apply for and receive funds from one of the programs within any given year for the specific project. One project/item cannot be funded through multiple funding assistance programs within a given year.

5. DETERMINATION OF FUNDING

- a. Where funding within the Town's allocated budget (minimum of \$10,000 annually to be indexed annually with the current tax rate increase) is insufficient to give a Heritage Tax Rebate to each otherwise eligible applicant, applications will be considered following receipt of all applications within the timelines specified.
- b. No priority will be given to applicants who have previously obtained a Heritage Tax Rebate.
- c. If available funds within the Town's allocated budget are insufficient to award 40%, lesser amounts may be considered.

6. ASSESSMENT

- a. Rebates shall be based on the assessed value (as determined by the Municipal Property Assessment Corporation) of the entire property.
- b. If the assessment of a property for a year changes as a result of proceedings under the Assessment Act, the Heritage Tax Rebate shall be re-determined using the new assessment and the tax roll for the year shall be amended to reflect the determination.

7. INSPECTION

- a. Upon application, the owner must consent to the Town conducting an annual inspection, if required, to ensure that the owner is in compliance with the relevant Heritage Easement Agreement or Reasons for Designation Outline.

8. NON-COMPLIANCE WITH HERITAGE DESIGNATION

- a. No Heritage Tax Rebate will be given under this By-law where the Town determines that the relevant Heritage Easement Agreement or Reasons for Designation Outline is not complied with.
- b. Where an owner is in breach of the Agreement but is willing to apply the Heritage Tax Rebate to works which will bring the property back into compliance, the Town may approve a Heritage Tax Rebate subject to conditions as required on a property by property basis. Prior to approval of any such conditions, the owner shall file a written request including a proposed work plan with the Clerk and shall appear before Heritage Penetanguishene to present their proposal. The Committee shall recommend to the Planning & Development Services Section the approval or denial of the proposal including any conditions to be placed on the Heritage Tax Rebate. The decision of Section is final.

9. REPAYMENT

- a. If the owner of an eligible heritage property demolishes the eligible heritage structure or breaches the terms of the relevant Heritage Easement or Preservation and Maintenance Agreement or fails to meet the conditions of approval, the Town may require the owner to repay part or all of any Heritage Tax Rebate(s) provided to the owner for one or more years.
- b. The Town may require the owner to pay interest on the amount of any repayment required under this section, at a rate not exceeding the lowest prime rate reported to the Bank of Canada by any of the banks listed in Schedule I of the Bank Act (Canada), calculated from the date or dates the Heritage Tax Rebate(s) were provided.

10. REBATE PAYMENT

- a. Heritage Tax Rebates shall take the form of a credit to the tax account for the eligible heritage property unless otherwise requested by the property owner at the time of application.

- b. Whenever possible, Heritage Tax Rebates shall be processed prior to the issuance and payment of the Final Tax Bill.
- c. In the event of change of ownership, the Town shall prorate the rebate in accordance with information contained in the tax roll and issue the rebate accordingly.

Adopted by Council: November 23, 2011 under By-law 2011-92