

Appendix B

Municipal Act, 2001, S.O. 2001, c.25

Rebates for charities

361 (1) Every municipality, other than a lower-tier municipality, shall have a tax rebate program for eligible charities for the purposes of giving them relief from taxes or amounts paid on account of taxes on eligible property they occupy. 2002, c. 22, s. 159 (1).

Eligible charities, property

(2) For the purposes of this section,

- (a) a charity is eligible if it is a registered charity as defined in subsection 248 (1) of the *Income Tax Act* (Canada) that has a registration number issued by the Canada Revenue Agency;
- (b) a property is eligible if it is in one of the commercial classes or industrial classes, within the meaning of subsection 308 (1) of this Act, or if it is in a class prescribed under clause (11) (b.1) of this section. 2001, c. 25, s. 361 (2); 2016, c. 37, Sched. 15, s. 11 (1).

Program requirements

(3) A tax rebate program under this section is subject to the following requirements:

1. The program must provide for a rebate for an eligible charity that pays taxes or amounts on account of taxes on eligible property it occupies.
2. The amount of a rebate required under paragraph 1 must be at least 40 per cent, or such other percentage as the Minister of Finance may prescribe, of the taxes or amounts on account of taxes paid by the eligible charity on the property it occupies. If the eligible charity is required to pay an amount under section 367 or 368, the amount of the rebate shall be the total of the amounts paid by the eligible charity under those sections.
3. The program must provide that payment of one-half of the rebate must be made within 60 days after the receipt by the municipality of the application of the eligible charity for the rebate for the taxation year and the balance of the rebate must be paid within 120 days of the receipt of the application.
4. The program must permit the eligible charity to make an application for a rebate for a taxation year based on an estimate of the taxes or amounts on account of taxes payable by the eligible charity on the property it occupies.
5. The program must provide for final adjustments, to be made after the taxes or amounts on account of taxes paid by the charity can be determined, in respect of

differences between the estimated rebate paid by the municipality and the rebate to which the charity is entitled.

6. The program must require, as a condition of receiving a rebate for a year, that a charity repay any other municipality amounts by which the rebates the charity received for the year from that other municipality exceed the rebates from that other municipality to which the charity is entitled for the year.
7. An application for a taxation year must be made after January 1 of the year and no later than the last day of February of the following year. However, the municipality may accept applications after that deadline if, in the opinion of the municipality, extenuating circumstances justify the applicant being unable to make the application by the deadline. 2001, c. 25, s. 361 (3); 2002, c. 22, s. 159 (2-5); 2009, c. 33, Sched. 21, s. 6 (30).

Program options

(4) The following apply with respect to what a tax rebate program under this section may provide but is not required to provide:

1. The program may provide for rebates to organizations that are similar to eligible charities or a class of such organizations defined by the municipality.
2. The program may provide for rebates to eligible charities or similar organizations for taxes or amounts on account of taxes on property that is in any class of real property prescribed under the *Assessment Act*.
3. The program may provide for rebates that are greater than those required under subsection (3) and may provide for different rebate amounts for different eligible charities or similar organizations up to 100 per cent of the taxes paid by the eligible charity or similar organization.
4. The program may provide for adjustments in respect of the rebates for a year to be deducted from amounts payable in the next year for the next year's rebates. 2001, c. 25, s. 361 (4); 2002, c. 22, s. 159 (6).

Procedural requirements

(5) The program may include procedural requirements that must be satisfied for an eligible charity to be entitled to a rebate required under subsection (3). 2001, c. 25, s. 361 (5).

Who gives rebates

(6) Rebates under a program of a municipality under this section shall be given by the municipality unless the municipality is an upper-tier municipality, in which case the rebates shall be given by the lower-tier municipalities. 2001, c. 25, s. 361 (6).

Sharing amounts of rebates

(7) The amount of a rebate paid under this section on a property shall be shared by the municipalities and school boards that share in the revenue from the taxes on the property in the same proportion as the municipalities and school boards share in those revenues. 2002, c. 22, s. 159 (7).

Statement of costs shared by school boards

(8) The municipality that gives a rebate to a charity or similar organization shall also give the charity or similar organization a written statement of the proportion of the costs of the rebate that is shared by school boards. 2001, c. 25, s. 361 (8).

Interest

(9) The municipality shall pay interest, at the same rate of interest that applies under subsection 257.11 (4) of the *Education Act*, on the amount of any rebate to which the eligible charity is entitled under this section if the municipality fails to rebate or credit the amount within the time specified in paragraph 3 of subsection (3) or within such other time as the Minister of Finance may prescribe. 2001, c. 25, s. 361 (9).

No fee

(10) Despite this Act, no fee may be charged by the municipality to process an application under this section. 2001, c. 25, s. 361 (10).

Change of assessment

(10.1) The following apply if the assessment of an eligible property for a year changes as a result of a request under section 39.1 of the *Assessment Act*, an appeal under section 40 of that Act, an application under section 46 of that Act or a correction made under subsection 32 (1.1) of that Act:

1. A rebate under subsection (3) with respect to the year shall be redetermined using the new taxes on property for the year based on the new assessment.
2. If, as a result of a redetermination under paragraph 1, the amount of the rebate is increased, the increased amount shall be paid to the eligible charity in accordance with this section.
3. If, as a result of a redetermination under paragraph 1, the amount of the rebate is decreased and amounts paid on account of the rebate exceed the redetermined amount of the rebate, the excess payments are a debt due to the municipality which gave the rebate but the municipality shall not take any action to collect the debt, including the imposition of interest, until 120 days after providing the eligible charity with notice of the debt. 2002, c. 17, Sched. A, s. 64; 2008, c. 7, Sched. O, s. 6; 2017, c. 10, Sched. 1, s. 52.

Regulations

(11) The Minister of Finance may make regulations,

- (a) governing programs under this section including prescribing additional requirements for the programs;
- (b) governing procedural requirements the programs must include;
 - (b.1) prescribing classes of real property for the purposes of clause (2) (b) and paragraph 2 of subsection (13), other than the residential property class, the multi-residential property class, the farm property class, the pipe line property class or the managed forests property class;
- (c) prescribing a percentage for the purpose of paragraph 2 of subsection (3);
- (d) prescribing a time period for the purpose of subsection (9). 2001, c. 25, s. 361 (11); 2016, c. 37, Sched. 15, s. 11 (2).

Definition

(12) In this section,

“tax” includes,

- (a) charges that are imposed under section 208, and
- (b) fees and charges, other than charges described in clause (a), that are imposed under this Act and satisfy the conditions set out in paragraphs 1, 2 and 3 of subsection (13). 2006, c. 32, Sched. A, s. 148.

Same

(13) The conditions referred to in clause (b) of the definition of “tax” in subsection (12) are:

1. The fees and charges are imposed to raise an amount for at least one of the following purposes:
 - i. Promotion of an area as a business or shopping area.
 - ii. Improvement, beautification and maintenance of land, buildings and structures of the municipality in the area, beyond that provided at the expense of the municipality generally.
 - iii. Interest payable by the municipality on money it borrows for the purposes of subparagraph i or ii.

2. The fees and charges are imposed on owners of land that is included in the commercial classes or industrial classes, within the meaning of subsection 308 (1), or in a class prescribed under clause (11) (b.1).
3. The fees and charges have priority lien status and are added to the tax roll. 2006, c. 32, Sched. A, s. 148; 2016, c. 37, Sched. 15, s. 11 (3).