September 19, 2005

His Worship Larry Di Ianni
Mayor
City of Hamilton
71 Main Street West
Hamilton ON L8P 4Y5

Dear Mayor Di Ianni:

Thank you very much for your letter and the resolution from Hamilton City Council which requests that the Province amend the property tax rebate program for vacant commercial and industrial properties to limit eligibility for the rebate to one year. I understand that the City is concerned about lost tax revenue due to the long-term vacancies of some properties in Hamilton.

As you know, property tax relief has been provided to vacant business properties in Ontario for several decades. Prior to property assessment reform and the elimination of the business occupancy tax in 1998, vacant commercial and industrial properties were taxed at a lower rate than occupied properties because they were not subject to business occupancy tax. Under the current system, eligible property owners who experience vacancies in commercial or industrial buildings receive property tax rebates based on the actual period of time that a building is vacant. Applications can be made annually by eligible owners of commercial and industrial buildings who experience vacancies of at least 90 consecutive days.

The present vacancy rebate program attempts to strike a fair balance between the needs of business property owners and municipalities.

As you are aware, other initiatives undertaken by the Province and the City, such as matching business education tax cuts and funding from the Ontario Municipal Partnership Fund, are benefitting Hamilton.

Please do not hesitate to contact me should you have any questions or concerns.

Thank you again for writing.

Yours sincerely,

[Signature]

Greg Sorbara
Minister