

EXPLANATION

A By-law to amend the Vacancy Tax By-law No. 11674 regarding the tax rate, new exemptions, and other miscellaneous amendments

The attached by-law will implement Council's resolution adopted on May 10, 2023 to amend the Vacancy Tax By-law regarding the tax rate, new exemptions and miscellaneous amendments, and includes an additional minor amendment to make a reference gender neutral. A different version of this by-law was posted for enactment on June 27, 2023, but it was subsequently revised to better reflect Council's intention of exempting certain properties. The revision is found in section 7 of the by-law, and adds the words "or any subsequent vacancy reference period" to the new proposed subsection 3.9 (f).

Director of Legal Services
June 28, 2023

BY-LAW NO. ____

**A By-law to amend the Vacancy Tax By-law No. 11674
regarding the tax rate, new exemptions, and other miscellaneous amendments**

THE COUNCIL OF THE CITY OF VANCOUVER, in public meeting, enacts as follows:

1. This by-law amends the indicated provisions of the Vacancy Tax By-law No. 11674.

2. In section 1.2, Council:

(a) adds the following new definition in the correct alphabetical order:

“disaster” means:

- (a) an earthquake;
- (b) a fire;
- (c) a flood;
- (d) a landslide;
- (e) a spill or leakage of oil, gas or another poisonous or dangerous substance; or
- (f) any other natural disaster or dangerous event;”;

(b) adds the following new definition in the correct alphabetical order:

“hazardous condition” means:

- (a) a structural component of the residential property, including the foundation, external walls, interior supporting walls, floors and staircases, is defective or damaged;
- (b) oil, gas or another poisonous or dangerous substance is present in the residential property; or
- (c) any other condition relating to the residence that is hazardous to the health or safety of its occupants;”;

(c) adds the following new definition in the correct alphabetical order:

“medical reason” means participation in a course of treatment:

- (a) that, in the opinion of a medical practitioner, is required for the health of the individual; and

- (b) that is impractical for the individual to obtain in reasonably close proximity to the individual's principal residence;"; and
 - (d) in the definition of "principal residence", strikes out "means the usual place where an individual lives, makes his or her home and conducts his or her daily affairs" and substitutes "means the usual place where an individual lives, makes their home and conducts their daily affairs".
- 3. In section 2.4, Council:
 - (a) in subsection (b), strikes out "," and substitutes " ; and";
 - (b) in subsection (c), strikes out "for the 2021 and 2022 vacancy reference periods; and" and substitutes "for the 2021 vacancy reference period and any subsequent vacancy reference periods."; and
 - (c) strikes out subsection (d).
- 4. In section 3.2(a)(i), (b)(i), (c)(i), and (c)(ii)(A), Council strikes out "by July 1 of" and substitutes "in".
- 5. In section 3.4, Council:
 - (a) strikes out "A vacancy tax is not payable" and substitutes "For vacancy reference periods up to and including the 2023 vacancy reference period, a vacancy tax is not payable"; and
 - (b) in subsection (c), strikes out "." and substitutes " ;"; and
 - (c) adds below subsection (c), justified beneath the opening language of section 3.4, the following:

"or, in the case of the 2023 vacancy reference period, if the residential property was previously declared or determined exempt under this section for the 2022 vacancy reference period."
- 6. Council strikes out section 3.9.
- 7. Council adds the following new sections in the correct numerical order:

"Vacant new inventory

3.9 For the 2022 vacancy reference period and any subsequent vacancy reference periods, a vacancy tax is not payable under this by-law for a parcel of residential property if the residential property was unoccupied for more than six months during the vacancy reference period and:

 - (a) the residential property is part of a residential development of 5 or more residential properties;
 - (b) the residential property has been newly constructed;

- (c) the residential property has not been occupied for residential purposes since it was constructed;
- (d) the residential property was actively offered to the public for sale throughout the vacancy reference period;
- (e) the registered owner of the residential property was a developer of the residential property; and
- (f) the first time a property status declaration for the residential property was required to be completed and returned was for the 2022 vacancy reference period, or any subsequent vacancy reference period.

Hazardous or damaged residential property

3.10 A vacancy tax is not payable under this by-law for a parcel of residential property if the residential property was unoccupied for more than six months during the vacancy reference period because:

- (a) the residential property became uninhabitable because:
 - (i) it is substantially damaged or destroyed by a disaster, or
 - (ii) it is in a hazardous condition; and
- (b) the disaster or hazardous condition was caused by circumstances beyond the reasonable control of a registered owner of the residential property,

except that this exemption shall not be allowed for more than two consecutive vacancy reference periods.

Secondary residence for medical reasons

3.11 A vacancy tax is not payable under this by-law for a parcel of residential property if the principal residence of the registered owner during the vacancy reference period was outside of Greater Vancouver, but the residential property was periodically occupied by the registered owner, their spouse or dependent for a medical reason, except that in order to claim an exemption under this section, the registered owner must file a document that is completed by a medical practitioner, and must be filed using a form as prescribed by the City of Vancouver.”.

8. In section 6.3, Council strikes out “, except for the 2017 and 2018 vacancy reference periods where an extension may be granted until December 31st, 2020” and substitutes “unless the penalty in section 6.4 is paid, and no such extension will be granted beyond December 31st of the fifth year following the vacancy reference period”.

9. Council renumbers sections 6.4 through 6.15 as sections 6.5 through 6.16, respectively.

10. Council adds a new section 6.4 as follows:

“Penalty to file a property status declaration after the deadline

6.4 A penalty of 5% of the vacancy tax levy will be due and payable where a registered owner is granted an extension to file a property status declaration after the second business day of July of the year after the year in which the tax is due and payable, except that a vacancy tax review officer may make a determination to waive the penalty in cases where the registered owner is unable to submit a complaint on or before the second business day of July due to hardship other than financial hardship, including any of the following:

- (a) natural or human-made disasters such as flood or fire;
- (b) a serious illness or accident; or
- (c) serious emotional or mental distress.”.

11. In section 6.7, Council strikes out “section 6.3, 6.4 or 6.5” wherever it appears, including the heading, and substitutes “section 6.3, 6.5 or 6.6”.

12. In section 6.14, Council strikes out “section 6.12” wherever it appears, including the heading, and substitutes “section 6.13”.

13. In section 6.15, Council strikes out “Section 6.12” and substitutes “section 6.13”.

14. In section 1.2, in the definition of “notice of complaint”, Council strikes out “section 6.4” and substitutes “section 6.5”.

15. A decision by a court that any part of this by-law is illegal, void, or unenforceable severs that part from this By-law, and is not to affect the balance of this By-law.

16. This by-law is to come into force and take effect on the date of its enactment.

ENACTED by Council this _____ day of _____, 2023

Mayor

Acting City Clerk