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# City of Dawson

## Taxation of Vacant Residential Lands Policy

### # 2022-02

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#### **POLICY STATEMENT**

The City of Dawson encourages development of vacant residential lands through the use of a higher rate of municipal property taxation on those lands which have remained vacant in excess of a defined duration of time.

#### **1.00 Purpose**

1.01 The purpose of this policy is to establish the taxation of vacant residential lands which remain undeveloped, to support increasing the available housing stock in the community.

#### **2.00 Definitions**

2.01 The following terms are used within this policy and are defined as follows:

- a) "Planning Manager" - means the Planning and Development Manager or their delegate as appointed by the Chief Administrative Officer (CAO).
- b) "Assessor" – means the Assessor or their delegate as determined by the Chief Assessor, identified under the authority of the Assessment and Taxation Act.
- c) "CFO" – means the Chief Financial Officer, or their delegate as appointed by the Chief Administrative Officer (CAO)
- d) "Assessment Class" - refers to a property's classification for tax assessment purposes, as provided by section 55(3) of the Assessment and Taxation Act.
- e) "Assessment Act" – refers to the Yukon Government Assessment and Taxation Act.
- f) "Council" - means the Council of the City of Dawson
- g) "Vacant" - the term "vacant" for the purposes of this policy shall refer to:
  - a. any property which has been deemed to be undeveloped and not having any habitable physical construction on site, as indicated by a nil improvement value in the annual Yukon Government Assessment Roll.
  - b. Any developable, legally surveyed property forming part of an amalgamated property in the Tax Assessment roll that does not contain a primary residence
- h) "Vacant Residential Lands Tax Rate" - this shall be the reference to the higher rate of taxation given to those properties which are deemed affected by this policy.

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- i) “Year of Subdivision” - the year in which a property was subdivided and registered at Yukon Land Titles Office.
  - j) “Historic Townsite” – refers to the area shown in Schedule “C” of Zoning Bylaw #2018-19
  - k) “Developable” – for the purpose of this policy is defined as a property that;
    - a. Has frontage to existing municipal water and Sewar services.
    - b. Has adequate size to meet applicable bylaw requirements for development.
    - c. Is not prevented from development by existing easements or access.
    - d. Is not prevented from development by the existence of a historically designated structure.
    - e. Is not prevented from development by identified geotechnical or environmental limitations.

### **3.00 Responsibilities**

#### **3.01 Council is responsible for:**

- a) the approval of the bylaw as required under section 246 of the *Municipal Act*, in accordance with section 55(2) of the *Assessment and Taxation Act*, made on or before April 15 in each year on all taxable real property that is in its jurisdiction.
- b) the approval of the bylaw as required under section 55(3) of the *Assessment and Taxation Act*, for the creation of a residential assessment class of real property, which facilitates the taxation of that class at a different rate of taxation.
- c) the approval of the bylaw as required under section 55(3) of the *Assessment and Taxation Act*, for the division of its jurisdiction into regions, and to vary the tax rate from region to region.
- d) the annual approval of the “Vacant Residential Lands Tax Rate” which will appear within the annual Tax Levy Bylaw amendment.
- e) the establishment and annual approval of applicable Vacant land minimum tax’s
- f) hearing appeals as per Section 8.01 c).

#### **3.02 The Assessor is responsible for:**

- a) the annual determination of the assessed value of land and improvements for each property.
- b) The reassessment of properties for reclassification under the new assessment sub-class envisioned within this policy.

#### **3.03 The CFO is responsible for:**

- a) determining which vacant residential properties will be subject to the “Vacant Residential Lands Tax Rate” and to levy the Vacant Residential Lands Tax Rate.

- b) calculating and applying adjustments as per section 9.01a).
- c) submitting appeals to Council.

3.04 The Planning Manager is responsible for:

- a) determining whether physical housing construction has commenced on or before December 31st of the tax year in question. Construction is deemed to have commenced if the foundation is complete with an active development permit in place.
- b) Determining whether a vacant property is developable.
- c) assisting the CFO in the review of any appeal, in situations where servicing and/or developability are in question, prior to the appeal being presented to Council.

**4.00 Vacant Residential Land Taxation Standards – General**

4.01 Residential lands which have physically existed, as defined by their “Year of Subdivision”, for less than five years, and have remained vacant during that time period, are subject to the regular residential municipal tax rate, and are unaffected by this policy.

4.02 Residential lands which have physically existed, as defined by their “Year of Subdivision”, for five years or longer, and have remained vacant during that time period are subject to the “Vacant Residential Lands Tax Rate”.

**5.00 Applicable Properties**

5.01 Only those vacant properties which meet each of the following three (3) criteria will be subject to the “Vacant Residential Lands Tax Rate”:

- a) Properties having one of the following land use classifications as per the Assessment Act:
  - RS1 Zone (Single Detached and Duplex Residential)
  - RS2 Zone (Multi-Unit Residential)
  - RSM (Mobile Home)
  - RMH (Residential Mini home)
  - RSC (Country Residential)

b) Properties described by either of the following circumstances:

(i) Properties which have remained vacant for a period of five (5) years or greater since their time of final subdivision. The following schedule will apply:

Tax Year	Physical Condition Date	Year of Subdivision for use of Vacant Lands Tax Rate
2023	December 31, 2022	2017 or earlier
2024	December 31, 2023	2018 or earlier
2025	December 31, 2024	2019 or earlier
2026	December 31, 2025	2020 or earlier

2027	December 31, 2026	2021 or earlier
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Example 1: A vacant R1-classed lot remains vacant as of Dec 31, 2022 as confirmed by the CFO. If its year of subdivision is 2017 or earlier, then it has chronologically remained vacant for five or more years. Therefore, it is subject to the “Vacant Residential Lands Tax Rate” for the 2023 tax year and all subsequent tax years until such time as the lot is developed.

Example 2: A vacant R1- classed lot remains vacant as of Dec 31, 2022 as confirmed by the CFO. Its year of subdivision is 2018. It has chronologically remained vacant for four years.

Therefore, it is not subject to the “Vacant Residential Lands Tax Rate” until the 2024 tax year.

- (ii) Notwithstanding section 5.01 (b)(i) and 5.01 (b)(ii), the Year of Subdivision is deemed to have not changed when properties, previously determined to be vacant, are subdivided, consolidated, amended or legally altered in a manner that, at the discretion of the CFO, has not materially changed the vacant nature of the properties, nor the vacant status of the lot.

Example 1: A property owner adds five feet of width to their vacant lot via lot consolidation, and the amended lot is registered at Land Titles and given a new legal description with a new plan number. For the purposes of this policy, the Year of Subdivision does not “reset” because of the lot consolidation.

Example 2: An existing RS2 lot has remained vacant for ten years. The property

owner then subdivides and changes the zoning for the existing 464 m<sup>2</sup> (5,000 ft<sup>2</sup>) RS2 lot into two 232.3 m<sup>2</sup> (2,500 ft<sup>2</sup>) RS1 lots. For the purposes of this policy, the Year of Subdivision does not “reset” because of the lot subdivision for the properties re-zoned as to a land use zoning classification listed in section 5.01 a).

- (iii) Properties which were formerly improved, but have had the improvements demolished and have remained vacant for a period of five (5) years or greater since their time of demolition. In cases where properties become vacant as a result of demolition, the start date for counting years of vacant status will commence at December 31st of the year of demolition.

Example: A property has physically existed since 1962. The residential dwelling on site was built in 1963 and demolished in 2020. 2020 becomes the start date of the vacant status period, not the year of subdivision; 1962.

- iv) Properties which are considered to be developable.

- c) Properties located in the Historic Townsite.

## 6.00 Excluded Properties

6.01 The following properties exhibiting any of the criteria below are intended to be excluded from this policy:

- a) RS1, RS2, RSM or RSH classed properties larger than 1.62 hectares (4 acres) in area that are deemed by the Planning Manager to not yet be in their final and subdivided end use.
- b) RS1, RS2, RSM or RSH classed properties that have structures on them that are Historic Resources

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that are listed in the Yukon Historic Sites Inventory or have been designated as Municipal Historic Sites.

- c) For clarity, properties that have the following land use zoning as per the Assessment Act are not subject to this policy:
- CG
  - CML
  - CMS
  - INS
  - MHI
  - MSI
  - NOZ
  - OSP
  - PI
  - PLM
  - PRC
  - QRY
  - REC

#### **7.00 Applicable Municipal Tax**

7.01 The tax rate for general municipal purposes shall be set by Council in the Tax Levy Bylaw.

#### **8.00 Determination of Vacant Status**

8.01 For the purposes of this policy, the following criteria will be followed:

- a) To determine the Assessment Class for the application of this policy, the CFO will use:
- i) Yukon Government annual Preliminary Tax Assessment Roll
  - ii) Legal Survey as provided by Yukon Government GeoYukon map services.
- b) Property Owners shall receive a Notice of Vacant Residential Land Status mailed on or before December 31<sup>st</sup> prior to the year of taxation to the address as per the Taxation and Assessment Roll.
- c) In any instance where a property owner disputes their vacant status (their assessment class) the remedy will be for the property owner to contact the CFO in writing on or before February 28<sup>th</sup> of the assessment year, and the recourse available to the property owner is through appeal to Council. The property owner must provide documentation why the property does not qualify under section 5.01 as verification by a third-party professional, photographs and/or third-party information.

#### **9.00 Reversion to Regular Residential Tax Rate**

9.01 A property which is taxed at the “Vacant Residential Lands Tax Rate” will revert back to the regular residential municipal tax rate under the following scenarios:

- a) Physical housing construction has commenced on or before December 31<sup>st</sup> of the tax year in question. The tax rate reversion will be enacted during the current tax year, by way of an assessment correction, upon receipt of the occupancy permit.

9.02 A property which is taxed at the “Vacant Residential Lands Tax Rate” will not revert back to the regular

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residential municipal tax rate under the following scenarios:

- a) The property owner has been issued a *development permit* by the City of Dawson in respect of the property on or before December 31st of the assessment year in question. Receipt of a *development permit* does not affect the vacant status provisions referred to in section 5.01 of this policy.
- b) The property is sold, and title is transferred to a new owner. Change in ownership does not affect the vacant status provisions referred to in section 5.01 of this policy.

<b>POLICY TITLE:</b>	<b><i>Taxation of Vacant Residential Lands</i></b>
<b>POLICY #:</b>	<b>2022-02</b>
<b>EFFECTIVE DATE:</b>	<b>August 31, 2022</b>
<b>ADOPTED BY COUNCIL ON: RESOLUTION #:</b>	<b>August 31, 2022</b>
<b>RESOLUTION #:</b>	<b>C22-19-17</b>
<b>AMENDED:</b>	<b>March 1, 2023</b>
<b>RESOLUTION #:</b>	<b>C23-03-19</b>

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William Kendrick, Mayor

Original signed by:

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David Henderson, CAO