

Heritage property tax relief

Municipalities can give tax relief to owners of eligible heritage properties by passing a by-law creating a heritage property tax relief program under the Municipal Act, 2001.

The province gives municipalities the flexibility they need to adapt their program to local circumstances. For instance, municipalities can set the amount of tax relief they wish to offer (between 10 per cent and 40 per cent) and develop eligibility criteria in addition to those prescribed in the legislation.

Heritage Conservation Agreement

To be eligible for the tax relief, a property must be a building, structure or a portion of a building or structure that is:

- Designated under Part IV of the Ontario Heritage Act or part of a heritage conservation district designated under Part V of the Act;
- Subject to a heritage conservation agreement for the property.

A heritage conservation agreement is a voluntary legal agreement between the municipality (or the Ontario Heritage Trust) and an owner to protect the heritage attributes of a property and to encourage good stewardship of the property. The agreement is voluntary and recognizes the intention of both parties to protect the cultural heritage value of the property.

The Municipal Act, 2001 gives three options for heritage conservation agreements:

1. An easement agreement between the property owner and the municipality under section 37 of the Ontario Heritage Act; or
2. An easement agreement (often referred to as a "conservation easement") between the property owner and the Ontario Heritage Trust under section 22 of the Ontario Heritage Act; or
3. An agreement between the property owner and the municipality to ensure that the property is conserved.

The Ontario Heritage Trust, a provincial Crown agency, is authorized under Part II of the Ontario Heritage Act to enter into heritage conservation easement agreements with owners of heritage properties. For more information about the Trust's heritage conservation easement program, visit its Web site at www.heritagetrust.on.ca.