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Bill Pr20

An Act respecting Hot Docs

Mr. S. Cho

Private Bill

1st Reading December 5, 2019

2nd Reading

3rd Reading

Royal Assent



EXPLANATORY NOTE

The purpose of the Bill is set out in the Preamble.

An Act respecting Hot Docs

Preamble

The board of directors of Hot Docs has applied for special legislation to exempt certain land from taxation for municipal and school purposes, other than local improvement rates, beginning January 1, 2020, while the land is occupied and used by Hot Docs. The applicant represents that it was incorporated under the *Corporations Act* by letters patent dated October 11, 1996. The applicant represents that it is a registered charity within the meaning of the *Income Tax Act* (Canada) and that it owns a freehold interest in the land.

It is appropriate to grant the application.

Therefore, Her Majesty, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

Definition

1 In this Act,

“specified property” means the land, as defined in the *Assessment Act*, municipally known as 504 Bloor Street West in the City of Toronto, more specifically described as:

Plan 608 Lot 5.

Municipal taxes

Tax exemption by-law

2 (1) The council of the City of Toronto may pass by-laws exempting the specified property from taxation for municipal purposes, other than local improvement rates, beginning January 1, 2020, if,

- (a) the specified property is occupied and used solely by Hot Docs;
- (b) Hot Docs is the registered owner of the specified property; and
- (c) Hot Docs is a registered charity within the meaning of the *Income Tax Act* (Canada).

Non-exempt portion

(2) For greater certainty, if any portion of the specified property is occupied and used by an entity other than Hot Docs, that portion of the specified property so occupied and used is not exempt from taxation under a by-law passed under subsection (1).

Municipal tax cancellation by-law

3 (1) If the council of the City of Toronto passes a by-law under section 2, it may pass by-laws cancelling the taxes for municipal purposes, other than local improvement rates, including interest and penalties, on the specified property or any portion of it for any year or part of a year,

- (a) to which the exemption applies; and
- (b) for which taxes have been levied.

Non-exempt portion

(2) For greater certainty, if any portion of the specified property is not exempt from taxation under a by-law passed under subsection 2 (1), as described in subsection 2 (2), a cancellation of taxes for municipal purposes under this Act does not apply to that portion.

School taxes

Tax exemption

4 (1) If the council of the City of Toronto passes a by-law under section 2, the specified property is also exempt from taxation for school purposes for the period for which the specified property is exempt from taxation for municipal purposes, other than local improvement rates, under the by-law.

Tax cancellation

(2) If the council of the City of Toronto passes a by-law under section 3, the taxes for school purposes on the specified property, including interest and penalties, are also cancelled for the period for which the taxes for municipal purposes, other than local improvement rates, are cancelled.

Non-exempt portion

(3) For greater certainty, if any portion of the specified property is not exempt from taxation under a by-law passed under subsection 2 (1), as described in subsection 2 (2), an exemption from taxation for school purposes or a cancellation of taxes for school purposes does not apply to that portion.

Chargeback

(4) Section 318 (taxes collected on behalf of other bodies) of the *City of Toronto Act, 2006* applies, with necessary modifications, to taxes cancelled by subsection (2).

If specified property is sold

5 (1) A by-law passed under section 2 or 3 may state that it does not come into force unless Hot Docs enters into an agreement with the City of Toronto providing that, if Hot Docs sells, leases or otherwise disposes of the specified property, the amount described in subsection (2) becomes payable to the City unless, pursuant to the provision described in subsection 6 (1), the amount described in subsection 6 (3) becomes payable instead.

Amount of taxes

(2) For the purposes of subsection (1), the amount is the amount of taxes that would have been payable, if the by-law under section 2 or 3 had not been passed, by Hot Docs to the City of Toronto in respect of the specified property for the shorter of the following two periods:

1. The 10 years preceding the date of the sale, lease or other disposition.
2. The period that started on the date the by-law was passed and ended on the date of the sale, lease or other disposition.

Charge registered on title

(3) The City of Toronto may register an agreement described in subsection (1) against the title of the specified property in the appropriate land registry office and any amounts payable under the agreement shall, until paid, be a lien or charge on that land and may be added by the clerk of the City of Toronto to the collector's roll and collected in the same manner as real property taxes.

If subsequent land is acquired

Collection of taxes postponed

6 (1) An agreement described in subsection 5 (1) may provide that, if Hot Docs sells, leases or otherwise disposes of the specified property and, within two years of the date of the sale, lease or other disposition, acquires other land in the City of Toronto, and if the conditions set out in subsection (2) are met,

- (a) the amount described in subsection 5 (2) is not payable to the City of Toronto upon the sale, lease or other disposition of the specified property; and
- (b) the amount described in subsection (3) is payable to the City of Toronto upon the sale, lease or other disposition of the acquired land.

Conditions

(2) The conditions referred to in subsection (1) are that,

- (a) the acquired land is occupied and used solely by Hot Docs;
- (b) Hot Docs is the registered owner of the acquired land; and
- (c) Hot Docs is a registered charity within the meaning of the *Income Tax Act* (Canada).

Amount of taxes

(3) For the purposes of subsection (1), the amount is the amount of taxes that would have been payable, if the by-law under section 2 or 3 had not been passed, by Hot Docs to the City of Toronto in respect of the specified property or the acquired land for the shorter of the following two periods:

1. The 10 years preceding the date of the sale, lease or other disposition of the acquired land.
2. The period that started on the date the by-law was passed and ended on the date of the sale, lease or other disposition of the acquired land.

Transfer of tax exemption and lien

(4) If an agreement described in subsection 5 (1) has been entered into and Hot Docs sells, leases or otherwise disposes of the specified property and, within two years of the date of the sale, lease or other disposition, acquires other land in the City of Toronto, and if the conditions set out in subsection (2) are met,

- (a) the City of Toronto may by by-law transfer the tax exemption under section 2 to the acquired land;
- (b) the City of Toronto may register the agreement against the title of the acquired land in the appropriate land registry office and upon such registration any lien or charge described in subsection 5 (3) on the specified property is discharged; and
- (c) any amounts payable under the agreement shall, until paid, be a lien or charge on the acquired land and may be added by the clerk of the City of Toronto to the collector's roll and collected in the same manner as real property taxes.

Non-exempt portion

(5) For greater certainty, the transfer under clause (4) (a) of a tax exemption to the acquired land does not apply to any portion of land that is occupied and used by an entity other than Hot Docs.

Sharing of payments

7 Any amount described under subsection 5 (2) or 6 (3) that is payable to the City of Toronto pursuant to an agreement entered into under subsection 5 (1) shall be shared by the City of Toronto and the school boards that would have shared in the revenue from the taxes on the specified property in the same proportion as they would have shared in those revenues had the by-law under section 2 or 3 not been passed.

Revocation of by-law

8 If the council of the City of Toronto revokes a by-law passed under section 2 or 3 or clause 6 (4) (a), the revocation does not affect the validity of any agreement described in subsection 5 (1) between Hot Docs and the City of Toronto or change any of its terms respecting the payment of amounts owing under the agreement.

Commencement

9 This Act comes into force on the day it receives Royal Assent.

Short title

10 The short title of this Act is the *Hot Docs Act (Tax Relief), 2019*.