New Brunswick Vacant Property Levy Initiative

Background

As part of the 2024 election platform, the Government of New Brunswick (GNB) committed to property tax reform to establish a more predictable, stable, and transparent system. On May 27, 2026, legislation outlining significant reforms to the property tax system was introduced, with changes beginning to take effect for the 2027 taxation year.

One key item from Property Tax Reform is the proposal for a **Vacant Property Levy** for local governments. The goal of this levy is to empower local governments with a tool to address vacant or unused properties, foster economic growth, and align with local development priorities.

This document details the development process, legislative milestones, proposed framework, and next steps for the Vacant Property Levy initiative.

Why a Vacant Property Levy?

Local governments across New Brunswick have expressed a need for tools to manage and encourage the productive use of vacant properties within their jurisdictions.

Vacant properties left unoccupied for periods of time can hinder growth and development, particularly in urban areas designated for economic and community development, such as downtown and uptown cores. By introducing a Vacant Property Levy, GNB aims to help local governments:

- Support local development and use of vacant properties
- Encourage economic growth
- Foster housing opportunities

Legislative Context

The Property Tax Reform legislation passed in May 2026 laid the groundwork for overhauling the property tax system.

New legislation was introduced on November 4, 2026, by the Honourable Aaron Kennedy, Minister of Local Government and Minister responsible for Service New Brunswick, to

create a legal framework for the Vacant Property Levy, responding to advocacy from local governments for additional tools to advance local development and growth.

Key Components of the Legislation

The amendments introduced on November 4, 2026, establish a legal framework for local governments to consider adopting a by-law to impose a levy on vacant properties. Bill 14, *An Act Respecting Property Tax Reform Measures* introduces changes to the *Local Governance Act* and included the following:

Discretionary Authority for Local Governments

Local governments will have discretionary authority to decide whether to adopt a Vacant Property Levy through a by-law based on their local priorities.

A local government by-law, if implemented, must include:

- The amount of the levy
- An appeal process for property owners

Scope for how levy revenue will be utilized

Revenue from the levy can be allocated for:

- Local development
- Economic growth and/or
- Housing development

A portion of funds may also be allocated for administering the levy.

Regulation-Making Authority

While Government has introduced legislation that outlines the framework for local governments to create a vacant property levy by-law, additional details respecting the types of properties to which a levy may be applied will be established through regulation in Spring 2027.

Regulations are used to set parameters around programs that are enacted through legislation and once drafted are posted publicly for a 28-day public comment period.

Stakeholders will be actively engage in the coming months as the regulations are being developed. During this time, a comprehensive and collaborative dialogue will be facilitated to ensure these details are given the time and consideration they deserve.

Additional details that will be addressed through regulations in Spring 2027 will include:

Vacant Property Criteria:

Although the Bill introduced on November 4, 2026, provides a basic definition of vacant property, the regulation will outline additional criteria around the purpose of the definition that a local government by-law will need to reflect. For example, the minimum amount of time a property has been vacant and priority areas the levy will apply in.

Levy Details:

The regulations will outline levy structure details such as:

- Minimum and maximum levy amounts.
- Restrictions on which property types or locations can be subject to the levy.

Exemptions:

Clear exemptions for specific categories of properties that will be excluded from the levy.

Appeals and Enforcement Mechanisms:

- Procedure for property owners to appeal levy assessments.
- Mechanisms for levy collection, interest on unpaid amounts, penalties for non-compliance, refunds and legal enforcement options.

Transparency and Reporting Requirements:

Local governments are required to report on specific things in their annual reports. The Annual Report Regulation will be changed to include specific data related to their vacant property levy by-law, including:

- Changes in the number of vacant properties
- Revenue collected and
- Usage of the collected funds

Additional By-law Requirements

Regulations will specify the elements local governments need to address in their by-laws, including:

- Notification processes
- Inspections
- Handling disputes.

Implementation Timeline

The Bill will not be enacted until the regulatory components are finalized to support it. The amendments to the *Local Governance Act* through Bill 14 are expected to take effect in Spring 2027. At that time local governments will be able to implement a vacant property levy by-law should they choose to do so.

Draft regulations will be made available for public consultation through a 28-day comment period on the GNB website before being finalized.

Stakeholder Engagement and Next Steps

The Government of New Brunswick is committed to a transparent and inclusive approach to implementing the Vacant Property Levy. As this process moves forward, the Department of Environment and Local Government is committed to ongoing engagement with local governments through a working group and other stakeholders through a multi-stakeholder group.

We want to ensure that the regulations are practical, balanced, and meet the legal requirements outlined in legislation.

To read the full Bill 14, visit An Act Respecting Property Tax Reform Measures - Legislative Assembly of New Brunswick

If you have questions, please email them to elg/egl-info@gnb.ca