

RM of Edenwold No. 158

Economic Development – Residential Infill Incentive Policy



Approval Date: December 19th, 2023

Takes Effect: January 1st, 2024

Expires: December 31st, 2026



Economic Development – Tax Exemption Policy

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Appendix A– Infill Residential Incentive Areas



Economic Development - Tax Exemption Policy

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1. Purpose

The purpose of this policy is to:

- Encourage new development within the Municipality
- Contribute to economic development and growth in the Municipality
- Incentivize development on vacant lots that are often sources of property maintenance-related nuisances

2. Authority

Section 295 of *The Municipalities Act* provides municipalities with the ability to exempt specific properties from taxation for a period of time not exceeding five (5) years.

3. Policies and Conditions

Council may enter into an agreement with a property owner to provide a tax exemption under the following conditions:

3.1.1. Tax exemptions will be provided for a period of three (3) years at the following percentages:

- Year 1: 100 % exemption
- Year 2: 100 % exemption
- Year 3: 100 % exemption

3.1.2. Year 1 of the tax exemption shall be the year that a successful Final Inspection has been completed by the Municipality's Building Official. If the Final Inspection is completed after August 1st, Year 1 of the tax exemption will be deferred to the following calendar year.

3.1.3. In order to qualify, all of the following criteria must be met:

- a) The applicant must be a legally incorporated entity, an individual, a couple or a group of individuals.
- b) The applicant must be in good standing with the Municipality with respect to taxes.
- c) The proposed development must consist of a detached residential dwelling and must be located within an existing residential subdivision area that is shown in yellow on the

attached map in Appendix A and is zoned to the Country Residential 2 (CR2), Country Residential 3 (CR3), Urban Residential (R1) or Urban Residential 2 (R2) District.

- d) The applicant must submit a complete Tax Exemption Application Form to the Municipality before obtaining a Building Permit. Applications received after the date of issuance of a Building Permit will not be considered. The Tax Exemption Application Form must be received by the Municipality prior to the expiry of this Policy (December 31st, 2026) in order to be considered for an exemption.
- e) The applicant must pass Final Inspection within three (3) years of the date the building permit was issued. If Final Inspection is not passed within three (3) years of the date the building permit was issued, the tax exemption approval will be revoked.

- 3.1.4. The tax exemption applies to permanent improvements only including new dwelling development and is not applicable to taxes levied on lands.
- 3.1.5. The tax exemption will apply to the municipal tax levy only. The exemption will not apply to the education portion of the tax levy.
- 3.1.6. The tax exemption is not available to applicants with tax arrears.
- 3.1.7. Where a tax exemption has been approved under this policy and the applicant has entered into a Tax Exemption Agreement with the Municipality, the applicant remains responsible for payment of taxes levied. Taxes must be paid in full by a deadline of December 31st annually. Should the applicant fail to keep the taxes current during the term of the Tax Exemption Agreement, this will result in a default of the agreement. In the event of default, any remaining exemption under the agreement will be forfeited and no further exemptions will be granted by the Municipality to the applicant.
- 3.1.8. A tax exemption granted pursuant to this Policy may be transferred to a new owner if the property is sold. Upon the transfer of title, the new owner may apply to the Municipality for the remaining tax exemption as per the original Tax Exemption Agreement affecting the property that was executed by the previous owner. In order to obtain the remaining exemption, the new applicant must meet all the criteria under this policy and must enter into a Tax Exemption Agreement with the Municipality.
- 3.1.9. A tax exemption that is granted under this policy may be revoked by Council if, at any time, the Municipality determines that the applicant is in violation of any municipal bylaws or agreements with the Municipality or has failed to meet the requirements or conditions of any permits or approvals issued by the Municipality.

