

RM of Edenwold No. 158

Economic Development – Tax Exemption Policy



Approval Date: February 9th, 2021

Takes Effect: February 9th, 2021



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Appendix A – Multiple Unit Residential Incentive Areas



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1. Purpose

The purpose of this policy is to:

- Encourage new development within the Municipality
- Provide tax relief to businesses who create jobs in the Municipality
- Contribute to economic development and growth in the Municipality
- Encourage the development of multi-family dwellings in the vicinity of Emerald Park

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

3.1. Commercial, Industrial, Recreational and Community Service Development

Council may enter into an agreement with a property owner or occupant, as applicable, to provide a tax exemption under the following conditions:

- 3.1.1. For buildings or facilities with an estimated taxable assessment valued over \$500,000, 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.

Example: Business A passes their final inspection on April 1st, 2021. The exemption will be applied to their 2021 taxes and the three years of their exemption will be 2021, 2022, and 2023. Business B passes their final inspection on October 1st, 2021. The exemption will be applied to their 2022 taxes and the three years of their exemption will be 2022, 2023, and 2024.

- 3.1.3. In order to qualify, all of the following criteria must be met:
- a. The applicant must be a legally incorporated entity.
 - b. The applicant must be in good standing with the Municipality with respect to taxes.
 - c. The proposed development must be subject to commercial/industrial taxation.
 - d. The building or facility in the Municipality for which application for exemption is being made must contribute an estimated taxable assessment of at least \$500,000 to qualify for a three (3) year exemption. The estimated value of the building or facility shall be based on the value shown on the Building Permit. When a building contains multiple units to be sold individually, the value of the building as a whole will be considered, not the value of an individual unit.
 - e. 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.
 - f. 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 building or facility development and is not applicable to building renovations, expansions or taxes levied on lands.
- 3.1.5. Home-based businesses and any businesses that are subject to grants-in-lieu are not eligible for a tax exemption.
- 3.1.6. The tax exemption will apply to the municipal tax levy only. The exemption will not apply to the education portion of the tax levy.
- 3.1.7. The tax exemption is not available to applicants with tax arrears.
- 3.1.8. 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.
- 3.1.9. If a property is sold that is subject to a tax exemption under this policy, upon the transfer of ownership of the property, any remaining tax exemption is forfeited, with the following exception:
- 3.1.9.1. In the case where a building is designed, approved by the Municipality, and constructed with multiple (two or more) units intended to be sold individually, the tax exemption may be transferred to the purchaser of a unit. 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.

3.1.10. 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.

3.2. Multiple-Unit Residential Development

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

3.2.1. 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

3.2.2. 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 on or after August 1st, Year 1 of the tax exemption will be deferred to the following calendar year.

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

- a) The applicant must be a legally incorporated entity.
- b) The applicant must be in good standing with the Municipality with respect to taxes.
- c) The proposed development must consist of a multiple-unit dwelling that includes a minimum of four (4) residential dwelling units and must be located within the area outlined in red on the attached map identified as Appendix A.
- d) The building in the Municipality for which application for exemption is being made must contribute an estimated taxable assessment of at least \$500,000. The estimated value of the improvements shall be based on the value shown on the Building Permit.
- e) The applicant must submit a complete Tax Exemption Application Form to the Municipality before obtaining a Building Permit.

3.2.4. The tax exemption applies to permanent improvements only including new building development and is not applicable to taxes levied on lands.

3.2.5. The tax exemption is not available to applicants with tax arrears.

- 3.2.6. 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.
- 3.2.7. Any tax exemption that is granted under this policy is not transferable. If a property is sold that is subject to a tax exemption under this policy, upon the transfer of ownership of the property, any remaining tax exemption is forfeited.
- 3.2.8. 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.

3.3. Multiple-Parcel Residential Development

Council may enter into an agreement with a property owner or occupant, as applicable, to provide a tax exemption under the following conditions:

- 3.3.1. For undeveloped land within a new multiple-parcel residential subdivision that is zoned to a high-density residential district including Urban Residential District 1 (R1), Urban Residential District 2 (R2), or Urban Residential District 3 (R3), tax exemptions will be provided for a period of five (5) years at the following percentages:
 - Year 1: 100 % exemption
 - Year 2: 100 % exemption
 - Year 3: 100 % exemption
 - Year 4: 100% exemption
 - Year 5: 100% exemption
- 3.3.2. Year 1 of the tax exemption shall be the first-year municipal taxes are levied on the residential lots after they are registered on Land Titles.
- 3.3.3. In order to qualify, all of the following criteria must be met:
 - a) The applicant must be a legally incorporated entity.
 - b) The applicant must be in good standing with the Municipality with respect to taxes.
 - c) The applicant must be the developer of a new multiple-parcel residential subdivision that includes at least 10 lots.
 - d) The proposed development must be subject to residential taxation.

- e) The applicant must submit a complete Tax Exemption Application Form to the Municipality within 6 weeks of the date of registration of the Plan of Survey of the new multiple-parcel residential subdivision with the Information Services Corporation (ISC).
- 3.3.4. The tax exemption applies to undeveloped land within the new multiple-parcel residential subdivision only and is not applicable to any building or improvements on the land.
- 3.3.5. The tax exemption is not available to applicants with tax arrears.
- 3.3.6. 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.
- 3.3.7. Any tax exemption that is granted under this policy is not transferable. If a property is sold that is subject to a tax exemption under this policy, upon the transfer of ownership of the property, any remaining tax exemption is forfeited.
- 3.3.8. 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.

Rural Municipality of Edenwold No. 158 Emerald Park and Business Districts



Legend

- Butte Business District
- Emerald Park Business District
- Lagoon
- Water Treatment Plant
- Watercourse
- Waterbody
- Emerald Park Residential
- Gas/Oil Pipelines
- Railroad
- Highway
- Park
- Areas where multi-unit residential tax exemption may be applicable

