

## **Bylaw 2147-22 – Property Tax Incentive**

### **Non-Residential new construction and/or existing business revitalization, redevelopment or expansion Property Tax Incentive. Schedule A as amended in Bylaw 2164-23.**

A BYLAW OF THE TOWN OF STETTLER, in the Province of Alberta, to provide new and existing non-residential property tax incentives for new and existing industrial and commercial development undergoing new construction, business revitalization, redevelopment or expansion.

WHEREAS it is deemed expedient by Council to provide tax incentives to encourage assessment growth and promote industrial and commercial development and expansion,

WHEREAS Schedule A has been amended under Bylaw 2164-23,

AND WHEREAS the Municipal Government Act, RSA 2000, c. M-26, and amendments thereto, permits municipalities to offer multi-year tax incentives, reductions, or deferrals for non-residential properties and on machinery and equipment to encourage economic growth.

NOW THEREFORE, the Council of the Town of Stettler, in the Province of Alberta, duly assembled, enacts as follows:

1. TITLE 1.1 This Bylaw may be cited as the “Non-Residential new construction and/or existing business revitalization, redevelopment or expansion Property Tax Incentive”.

2. PURPOSE The purpose of this Bylaw is to:

2.1 Encourage new construction and redevelopment of existing non-residential properties resulting in improvements and a financial gain in assessment within the Town of Stettler.

2.2 Establish tax incentives in accordance with MGA s. 364.2 for assessed persons when there is new construction, revitalization, redevelopment or expansion of a new or an existing business that meets the criteria and requirements set out in this Bylaw.

2.3 Provide a process for application for tax incentive under this Bylaw.

2.4 Provide a process for review by Council of the refusal or cancellation of a tax incentive under this Bylaw.

3. DEFINITIONS in this Bylaw:

3.1 “Applicant” means the Assessed Person as defined under MGA s. 284(1) or authorized agent for the Assessed Person who applies for an incentive under this Bylaw.

3.2 “CAO” means Chief Administrative Officer as appointed by Council of the Town of Stettler; or their designate.

3.3 “Town” means the municipality of the Town of Stettler.

3.4 “Council” means the elected officials as a whole who comprise the municipal Council for the Town of Stettler.

3.5 “New construction” refers to site preparation for, and construction of, entirely new structures and/or significant extensions to existing structures whether or not the site was previously occupied.

3.6 “Revitalization, Redevelopment and/or expansion Improvements” shall mean improvements to any existing building or structure that is assessable for the purpose of property taxation.

3.7 “Commercial” shall mean a property zoned by the Town of Stettler as Commercial through the Town of Stettler Land Use Bylaw 2060-15.

3.8 “Industrial” shall mean any property zoned by the Town of Stettler as Industrial through the Town of Stettler Land Use Bylaw 2060-15.

3.9 “Designated Industrial Property” has the same meaning as defined under MGA s. 284(1) (f.01).

3.10 “Machinery and Equipment” means the type of property falling within the assessment class specified under MGA s. 297(1) (d). 3.8 “MGA” means the Municipal Government Act, R.S.A. 2000, c. M-26 as amended from time to time.

3.11 “Project” means the construction, revitalization, redevelopment and/or expansion of a new and existing non-residential structure, facility and improvements that increases the assessment value for the purpose of property taxation.

3.12 “Tax Incentive Agreement” means a written agreement between the Town of Stettler and the Assessed Person setting out the terms and conditions for an incentive under this Bylaw.

#### 4. ELIGIBILITY

4.1 Development shall conform to the Town of Stettler Land Use Bylaw 2060-15 and amendments thereto, and all other applicable provincial legislation.

4.2. New and existing non-residential development - means any new and existing commercial merchandising or industrial activity or undertaking, excluding Home Based Businesses, Natural Resource Excavation, Linear business and Railway business.

4.3 Home-based Business - means a business, trade, craft occupation, storage activity, or other commercial operation on a residential zoned property on a scale greater than a home office. Home Based Businesses are generally located on a Residential Zoning through the Land Use Bylaw 2060-15 and are not large enough to require a Land Use Bylaw zoning change to Commercial or Industrial.

4.4 A Development Permit shall be required.

(a) The Town of Stettler shall refund the Development Permit Fee (only) paid by the applicant upon successful approval of the Tax Incentive Application – Schedule B.

(b) The Development Permit Fee refund paid by the Town of Stettler to the property applicant does NOT include the Alberta safety codes building code permits fees paid by the applicant.

4.5 All eligible development shall be of a permanent nature.

4.6 Any new and existing commercial or industrial property undergoing major new construction, revitalization, redevelopment, and/or expansions in support of new and/or expanded business operations, for which a development permit and an Alberta Safety Codes building permit has been issued.

(a) Eligible Work:

1. New construction including site preparation for, and construction of, entirely new non-residential structures.
2. Interior and exterior structural & mechanical work necessary to repurpose an existing commercial or industrial property in support of expanded business operations where a Town of Stettler Development Permit is required.
3. The installation of large specialized equipment built in or hardwired into the building that is necessary to support expanded business operations where a Town of Stettler Development Permit is required.
4. Expansion of the building envelope (additions) necessary to support expanded business operations where a Town of Stettler Development Permit is required.
5. Any work necessary to bring the building up to the requirements of the National Building Code where a Town of Stettler Development Permit is required.

(b) Ineligible Work:

1. Work, where NO Town of Stettler Development Permit is required (i.e. – minor renovations, redecorating or work that constitutes regular building maintenance).
2. Work, that in the opinion of the CAO, does not constitute a major repurposing of an existing commercial or industrial property in support of expanded business operations that results in no increased assessment for the Town of Stettler

4.7 Utilities and other fees owed to the Town of Stettler by the Assessed Person that are associated with the property will be current and in good standing.

4.8 Property taxes associated with the property are paid by the due date in the Tax Penalty Bylaw as amended from time to time.

4.9 Assessed Person must not be in bankruptcy or receivership.

4.10 Only the municipal portion of taxes is eligible for the tax incentive.

4.11 (1) Tax Incentives only apply to:

(a) Assessment Class 2 – Non-Residential

(b) Property shall be zoned “Industrial District - I” through Town of Stettler Land Use Bylaw 2060-15.

(c) Property shall be zoned “Commercial – C1, C1A, C2 and C3” through Town of Stettler Land Use Bylaw 2060-15.

4.12 New construction or revitalisation, redevelopment or expansion to existing business properties and meets the minimum threshold of generating a minimum \$5000 increase to the assessment may be considered for tax incentive under this Bylaw and in accordance with Schedule A – Incentive Levels & Duration.

4.13 Tax incentive shall only apply to the increase in the assessment amount due to the project.

4.14 The 2022 taxation year will be the first tax year that a tax incentive may be granted under this Bylaw.

4.15 Tax incentive may be transferrable to new owner unless the new owner fails to meet all requirements under this Bylaw.

## 5. APPLICATION & PROCESS

5.1 Applicants will need to apply initially once for this tax incentive using Schedule B – Application of this Bylaw.

5.2 Applicants are encouraged to apply as part of the development permit process, prior to commencement of construction or undertaking a project, or before completion of the improvements that result in an increased assessment.

5.3 The Town of Stettler may require any additional information that, in the discretion of the Town, is necessary to consider eligibility of the application or to confirm ongoing compliance with the eligibility criteria of the incentive.

5.4 CAO will consider each application in accordance with this Bylaw and:

(a) Grant the incentive and enter into a Tax Incentive Agreement with the Applicant; or

(b) Reject the application and advise the Applicant with written reasons as to why, including means to appeal to Council.

5.5 At the time the Tax Incentive Application - Schedule B, is ultimately approved by the Town of Stettler, the project must be in a state where it can be occupied and the applicant shall agree to a property reassessment to be conducted by the Town of Stettler Assessor.

5.6 The project will be considered completed when a written Tax Incentive Agreement is finalized with the Town of Stettler.

5.7 Tax Incentive amounts to be paid by the Town of Stettler to the applicant, as per Schedule A, will be applied starting January 1st of the first full calendar year after the works has been

completed and duly assessed for property taxation, and the Tax Incentive Application process has been finalized with a Tax Incentive Agreement.

5.8 Tax incentive amounts paid by the Town of Stettler to the applicant, as per Schedule A, are linked to the building itself and therefore can be transferred to any new applicant of the property.

5.9 Tax incentives will continue to be applied and paid out by the Town of Stettler to the property applicant, as per Schedule A, until such a time as all the tax incentives are exhausted, as per Schedule A.

5.10 CAO shall be authorized to enter into a Tax Incentive Agreement with the Applicant if an incentive is granted.

5.11 When a condition of the Tax Incentive Agreement is breached or the property and Assessed person no longer qualifies for an incentive under this Bylaw the CAO will provide a written decision cancelling or modifying the incentive as appropriate.

## 6. TERM

6.1 Tax Incentives on new construction or revitalization, redevelopment or expansion improvements on new and existing facilities that increases assessment may be granted to a maximum term of four (4) years in accordance with Schedule A – Incentive Levels & Duration.

6.2 Tax Incentives for subsequent improvements on the same property may be considered as a new application and be granted a further maximum term of four (4) years in accordance with Schedule A – Incentive Levels & Duration.

## 7. TAX INCENTIVE AGREEMENT

Tax Incentive Agreement shall be required for all granted incentives. The Tax Incentive Agreement will include the following:

7.1 Taxation years to which the incentive applies.

7.2 Incentive percentages that will apply over the term of the Tax Incentive Agreement.

7.3 Conditions which if breached will result in the cancellation of the Tax Incentive Agreement.

7.4 Any other information or conditions provided by the Town.

## 8. DISPUTE

8.1 Any dispute regarding the calculation of tax incentive, cancellation of tax incentive, or any entitlement under this Bylaw, shall be referred to Council for resolution.

8.2 An applicant may appeal to Council by submitting a written request for appeal to the CAO within thirty (30) days of the initial dispute.

8.3 Council, after considering an appeal, may:

(a) Uphold or revoke a decision of the CAO with respect to the outcome of an application or cancellation of an incentive or tax incentive agreement.

(b) Direct CAO to revise or amend a decision with respect to the matter.

8.4 The decision of Council shall be final and binding upon all parties except in the case where the decision is the subject of an application for judicial review, and such application must be filed with Court of Queen's Bench not more than sixty (60) days after the date of decision.

8.5 In accordance with MGA s. 460(7), complaints about a decision under this Bylaw may not be heard by the Assessment Review Board.

## 9. FORCE & EFFECT

9.1 This By-law may be reviewed at any time by Council; however, the By-law shall be reviewed by Council every four (4) years as part of Council's Strategic Planning process after each Municipal Election

9.2 If a portion of this Bylaw is found by a court of competent jurisdiction to be invalid, the invalid portion will be voided, and the rest of the Bylaw remains valid and effective.

9.3. That this Bylaw shall take force and effect on January 4, 2022.

READ a first time this 4<sup>th</sup> day of January, 2022.

Read a second time this 4<sup>th</sup> day of January, 2022.

Read a third and finally passed this 4<sup>th</sup> day of January, 2022.

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Mayor

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Assistant CAO

SCHEDULE A – Incentive Levels & Duration New or Increased Assessment

New Construction Or Revitalization / Incentive Redevelopment (Increase in Assessment Value)	Year 1 Tax Incentive %	Year 2 Tax Incentive %	Year 3 Tax Incentive %	Year 4 Tax Incentive %	Year 5 Tax %
\$5000 - \$100,000	100%				
\$100,001 - \$500,000	100%	50%			
\$500,001 - \$1,000,000	100%	75%	50%		
\$1,000,001-\$2,500,000	100%	75%	50%	25%	
\$2,500,001 - \$5,000,000	100%	100%	75%	75%	
\$5,000,001 - \$10,000,000	100%	100%	100%	100%	
\$10,000,001+	100%	100%	100%	100%	100%

Schedule B - Application

Date: \_\_\_\_\_

Non-Residential new construction and/or existing business revitalization, redevelopment or expansion  
Property Tax Incentive.

Name of Property Applicant (as per tax roll):

\_\_\_\_\_

Tax Roll Number: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City/Town/Village: \_\_\_\_\_ Province: \_\_\_\_\_ Postal Code: \_\_\_\_\_

Telephone Number (Main): \_\_\_\_\_ Telephone Number (Alternate): \_\_\_\_\_

Email Address: \_\_\_\_\_

Legal Description Tax Incentive:

Plan: \_\_\_\_\_ Block: \_\_\_\_\_ Lot: \_\_\_\_\_

I/We, the undersigned, understand the conditions of eligibility and further terms set out in Bylaw -  
\_\_\_\_\_ - Non-Residential new construction and/or existing business revitalization, redevelopment or  
expansion Property tax incentive bylaw, and acknowledge I/we have authority to request taxation  
incentive on the above-mentioned properties.

Full Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Full Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Office Use Only:

Development Permit #: \_\_\_\_\_ Development Permit Issue Date: \_\_\_\_\_

Development Completion Date: \_\_\_\_\_

Previous Assessment: \_\_\_\_\_ Assessment Date: \_\_\_\_\_

Current Assessment: \_\_\_\_\_ Assessment Date: \_\_\_\_\_

Increase in Assessment: \_\_\_\_\_

Incentive % Year 1 \_\_\_\_\_

Incentive % Year 2 \_\_\_\_\_

Incentive % Year 3 \_\_\_\_\_

Incentive % Year 4 \_\_\_\_\_

Development Permit Fee paid by the applicant: \_\_\_\_\_

Approved By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_