

Bylaw 2179-24

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

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,

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

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

3.5 “Home Based Business” means any occupation, trade, profession or craft carried on by an occupant of a residential building as a use secondary to the residential use of a building.

3.6 "Industrial" shall mean any property zoned by the Town of Stettler as Industrial through the Town of Stettler Land Use Bylaw.

3.7 "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.

3.9 "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. 3.10 "Project" means the construction, revitalization, redevelopment and/or expansion of a new or existing non-residential structure, facility and improvements that increase the assessment value for the purpose of property taxation. Excluding Home Based Businesses.

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

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

3.13 "Town" means the municipality of the Town of Stettler. 4. ELIGIBILITY

4.1 The Project shall conform to the Town of Stettler Land Use Bylaw and amendments thereto, and all other applicable provincial legislation.

4.2 All eligible Projects shall be of a permanent nature.

4.3 Projects must have a Development Permit issued which fall under section (a) Eligible Work below. An Alberta Safety Codes building permit may or may not have been issued.

(a) Eligible Work:

1. New construction of 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.

3. Work completed in a residential building for the use of a Home Based Business.

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

4.5 Property taxes associated with the property are paid by the due date in the Tax Penalty Bylaw as amended from time to time. Should the Applicant not meet the tax due date, excluding when the Applicant has committed to a preauthorized payment plan, they forfeit the current year and all proceeding years of the Non-Residential new construction and/or existing business revitalization, redevelopment or expansion Property Tax Incentive and shall pay penalties on the full amount of taxes due.

4.6 Applicant must not be in bankruptcy or receivership.

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

4.8 Tax Incentives only apply to:

(a) Assessment Class 2 – Non-Residential; and

(b) Properties zoned for Commercial and Industrial uses as outlined in the Town of Stettler Land Use Bylaw or any other property at the discretion of the CAO.

4.9 Any Project generating a minimum \$5,000 increase to the assessment may be considered for tax incentive under this Bylaw and in accordance with Schedule A – Incentive Levels & Duration.

4.10 Tax incentive shall only apply to the increase in the assessment amount due to the Project.

4.11 The 2022 taxation year will be the first tax year that a tax incentive may be granted 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 and must apply by December 31 of the calendar year in which the Project has been completed.

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 reviewed 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 Tax Incentive amounts to be credited by the Town of Stettler to the Applicant, as per Schedule A, will be applied to the municipal portion of the property taxes starting the calendar year proceeding completion of the Project and reassessment of the property.

5.7 Tax incentive amounts credited by the Town of Stettler to the Applicant, as per Schedule A, are linked to the tax roll and therefore can be transferred to any new Applicant of the property unless the new Applicant fails to meet the requirements under this Bylaw.

5.8 Tax incentives will continue to be applied to the Applicant's municipal property taxes by the Town of Stettler until such a time as all the tax incentives are exhausted, as per Schedule A.

5.9 When a condition of the Tax Incentive Agreement is breached or the Applicant 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 Projects that increase assessment may be granted to a maximum term of five (5) 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 five (5) 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 King’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. REPEAL

9.1 Bylaw 2147-22 and all amendments thereto, are hereby repealed.

10. FORCE & EFFECT

10.1 This Bylaw may be reviewed at any time by Council; however, the Bylaw shall be reviewed by Council every four (4) years as part of Council’s Strategic Planning process after each Municipal Election

10.2 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.

10.3. That this Bylaw shall take force and effect on _____, 2024.

READ a first time this _____ day of _____, 2024.

Read a second time this _____ day of _____, 2024.

Read a third and finally passed this _____ day of _____, 2024.

Mayor

Assistant CAO

SCHEDULE A – Incentive Levels & Duration New or Increased Assessment

New Construction Or Revitalization / Redevelopment (Increase in Assessment Value)	Year 1 Tax Incentive %	Year 2 Tax Incentive %	Year 3 Tax Incentive %	Year 4 Tax Incentive %	Year 5 Tax Incentive %
\$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.

Application Information:

Name of Applicant (as per tax roll): _____

Tax Roll Number: _____ Development Permit #: _____

Lot: _____ Block: _____ Plan: _____

Civic Address of Property: _____

Contact Name: _____ Email Address: _____

Mailing Address: _____

City/Town/Village: _____ Province: _____ Postal Code: _____

Telephone Number (Main): _____ (Alternate): _____

Tax Incentive:

I/We, the undersigned, understand the conditions of eligibility and further terms set out in Bylaw 2147-22 - 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.

I/We, the undersigned, understand that the Town of Stettler, at the direction of the CAO this tax incentive may be cancelled if at any time:

- (1) I/We are not in good standing with our Town of Stettler Taxes, Utilities, Business Licence, or any other fees owed to the Town of Stettler; or,
- (2) I/We enter bankruptcy or receivership.

Full Name: _____ Signature: _____

Full Name: _____ Signature: _____

Office Use Only:

Development Permit #: _____ Development Permit Issue Date: _____

Development Completion Date (closed building permit): _____

Previous Assessment: _____ Assessment Date: _____

Current Assessment: _____ Assessment Date: _____

Project Assessment (supplied by assessor): _____ Assessment Date: _____

Year 1: _____ Incentive %: _____ Mil Rate: _____

Total Tax Incentive in Year 1: _____ DP Fee paid by Applicant: _____

Total Incentive + DP in Year 1: _____

Year 2: _____ Incentive %: _____ Mil Rate: _____

Total Tax Incentive in Year 2: _____

Year 3: _____ Incentive %: _____ Mil Rate: _____

Total Tax Incentive in Year 3: _____

Year 4: _____ Incentive %: _____ Mil Rate: _____

Total Tax Incentive in Year 4: _____

Year 5: _____ Incentive %: _____ Mil Rate: _____

Total Tax Incentive in Year 5: _____

Approved By: _____ Title: _____ Date: _____