

# **Non-Residential Tax Incentive Bylaw (SUMMARY)**

## **1. CRITERIA FOR TAX EXEMPTION**

To be eligible for tax exemption, the following criteria must be met and maintained over the course of the exemption period:

- a. Construction of a new non-residential development with an assessed value at or above \$100,000; OR a refurbishment of an existing non-residential development that increases the assessed value by at least \$100,000;
- b. Construction or refurbishment of a non-residential development must be commenced subsequent to the passing of this Bylaw;
- c. Non-residential developments are defined as per the applicable zoning, pursuant to the Town's Land Use Bylaw, as amended;
- d. Applicants must commit to employing, on an annual basis, at least 2 full-time personnel at the location of the non-residential development within the Town of Olds;
- e. All necessary development approvals must be obtained from the Town;
- f. An applicant must not be in the process of foreclosure, bankruptcy, or receivership;
- g. An applicant must not have compliance issues, be in violation of a development permit and/or agreement, or be in violation of the Safety Codes Act at any time from application to the end of the exemption period;
- h. An applicant must not be in arrears or have amounts owing with regards to property tax, utilities, or other fees owed to the Town.

## **2. INELIGIBLE NON-RESIDENTIAL PROJECTS**

Any projects or properties that are assessed as Linear Property are ineligible for the tax exemption program.

## **3. DETAILS OF EXEMPTION**

- a. The exemption only applies to municipal taxes. Provincial School Requisitions and Seniors Housing Requisitions are excluded from this program.
- b. The exemption program shall be considered open from February 1, 2023 until December 31, 2032.
- c. Any eligible property shall receive an exemption outlined in Section 6 of this Bylaw at any time within the exemption period. By way of example, if a property becomes eligible by December 31, 2032, this property will receive the full 3 years of exemption; whereas properties becoming eligible after December 31, 2032 shall not enter the exemption program unless it is extended by Council.
- d. Eligible properties shall receive the first year's exemption with property taxes being prorated to the date of eligibility
- e. Notwithstanding Section 3c, complete applications may be considered and approved in accordance with this Bylaw before construction on the qualifying property is complete;

however, the calculation of exemption and exemption period will not be confirmed until all construction on the qualifying property is complete, the development is inspected and approved, and the property is assessed for taxation.

- f. A property is only eligible for one tax incentive exemption during the exemption period, beginning January 1, 2023 and ending December 31, 2032, unless additional assessment growth occurs due to a separate property improvement or expansion project that meets the criteria of this policy.

#### **4. CHANGE OF OWNERSHIP**

- a. Any change in ownership of the property will not affect the exemption unless the new owner(s) falls within one or more of the terms of disqualification.
- b. To maintain eligibility for the exemption, the new owner(s) must assume the obligations that arise under the written decision in accordance with Section 7 of this bylaw.

#### **5. APPLICATION FOR TAX EXEMPTION PROGRAM**

- a. The CAO, or delegate has the authority to determine whether an exemption will be granted in accordance with the terms and conditions of this bylaw.
- b. The application process of an exemption is as follows:
  - i. Applicants must submit a complete application for the Tax Exemption Program to the Town.
  - ii. A complete application must be received before construction of a new project or expansion project has commenced.
  - iii. Applicants whose applications are returned as incomplete, or ineligible may resubmit one additional time.
  - iv. Notwithstanding the complete application requirements, the Town may require additional information that, in the discretion of the Town, is necessary to complete the application or determine program eligibility and may require the applicant's consent to be given for the Town to obtain such additional information.
  - v. The Town will advise applicants in writing of their application's success. Applications accepted for consideration will become the property of the Town and may not be returned.
- c. Year 1 of the exemption program shall begin once the development permit or development agreement is approved. The CAO shall have discretion to vary the start date should of the exemption program as necessary.

## 6. CALCULATION OF EXEMPTION

- a. An approved exemption will be rebated to the municipal portion of property taxes based on the value of new assessment growth as determined by the Town in accordance with the following schedule:
  - i. **\$100,000 - \$250,000** = 1 year of exemption on the new development
    - 100% exemption in year 1
  - ii. **\$250,001 - \$1,000,000** = 2 years of exemption on the new development
    - 100% exemption in year 1
    - 50% exemption in year 2
  - iii. **\$1,000,001 - \$10,000,000** = 3 years of exemption on the new development
    - 100% exemption in year 1
    - 75% exemption in year 2
    - 50% exemption in year 3
  - iv. **\$10,000,001 – \$50,000,000** = 4 years of exemption on the new development
    - 100% exemption in year 1
    - 75% exemption in year 2
    - 50% exemption in year 3
    - 25% exemption in year 4
  - v. **Greater than \$50,000,000** = 5 years of exemption on the new development
    - 100% exemption in year 1
    - 100% exemption in year 2
    - 75% exemption in year 3
    - 50% exemption in year 4
    - 25% exemption in year 5

## 7. DECISION ON EXEMPTION

- a. If the CAO grants an exemption, a written decision will be issued to the applicant outlining the following information.
  - i. The taxation years to which the exemption applies, which must not include any retroactive exemption for years prior.
  - ii. Conditions of the exemption, the breach of which will result in cancellation of the exemption.
  - iii. The date on which the exemption shall begin effect.
  - iv. The amount of exemption, to be calculated and applied in accordance with Section 6.
  - v. Any other information or conditions provided by the Town.
- b. If the CAO denies an exemption application, the CAO will issue a written decision to the Applicant outlining the following information:
  - i. The reason(s) the application was denied.
  - ii. The date by which an application for an appeal to Council must be submitted.
- d. A request for an appeal must be in writing and be received by the Town no later than the time and date specified in the decision in which the exemption was denied or cancelled.

- e. Council, after considering the appeal, may;
  - i. Uphold or revoke a decision of the CAO with respect to the outcome of an application or cancellation of an Exemption; or
  - ii. Direct the CAO to revise or amend the decision with respect to the matter.
- f. The decision of Council on appeal shall be final.

**8. SEVERABILITY**

If any Section or parts of this bylaw are found in any court of law to be illegal or beyond the power of Council to enact, such Sections or parts shall be deemed to be severable and all other Sections or parts of this bylaw shall be deemed to be separate and independent there from and to be enacted as such.

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