



RURAL MUNICIPALITY OF PRINCE ALBERT NO. 461 POLICY AND PROCEDURE

Policy No. P – 01.30 Tax Incentive

Issued: 09/12/2024
Effective: 09/12/2024

Resolution No. 395/2024
Replaces: Resolution No.

1. Purpose:

This Policy is intended to provide the framework for Council to promote Economic Development by stimulating residential, commercial and industrial development in the RM of Prince Albert No. 461, through the use of property tax exemption agreements.

This incentive is applicable to both the municipal and school portions as per Section 298(5) of *The Municipalities Act*, except if:

- The school portion of the exemption for a single property or parcel of land will result in a loss of \$25,000.00 or more for the tax year, the municipality must seek prior provincial approval annually.

AND THAT permits issued prior to January 1st, 2024 are ineligible.

The RM of Prince Albert No. 461 supports a Residential and Commercial/Industrial Tax Incentive Policy to achieve the following community objectives:

- To increase and diversify employment opportunities within the RM;
- To encourage businesses to locate their operations within the RM;
- To make the RM of Prince Albert No. 461 an attractive locale for foreign and domestic investment and development;
- To improve the RM's competitive position;
- To demonstrate the RM of Prince Albert No. 461's commitment to business and industry;
- To entice new residents to relocate and reside within the RM;
- To encourage residential development on every level;
- To attract generational residential continuation.

2. Definitions:



Applicant – means the resident or business enterprise, existing or new, applying for a development tax incentive.

Building – means a building as defined in *The National Building Code of Canada (NBC)*.

Building Permit – as defined in *The Planning and Development Act, 2007*, means a permit, issued under a building bylaw of a municipality, authorizing the construction of all or part of any building.

Building Official – as defined in *The Construction Codes Act (CCA)*, means a person who holds a building official license.

Business – means any business that is commercially assessed by *The Saskatchewan Assessment Management Agency (SAMA)*.

Chief Administrative Officer (CAO) – Administrator as defined in *The Municipalities Act*.

Council – as defined in *The Municipalities Act (MA)*.

Development – the carrying out of any building, engineering, mining or other operations in, on, or over land or the making of any material change in the use or intensity of the use of any building or land.

Director of Planning and Development – an appointed officer of the RM of Prince Albert No. 461.

Improvements – means the erection of a new building or structure on bare land residential, commercial or industrial parcel.

Increased Assessed Value – means the amount of the new improvement assessment value on field sheets produced by the *Saskatchewan Assessment Management Agency (SAMA)*.

Lands – as defined by *The Municipalities Act*, do not include improvements.

National Building Code (NBC) - means any structure used or intended for supporting or sheltering any use or occupancy.

Owner – as defined by *The Municipalities Act*, means a person who has any right, title, estate or interest in land or improvements other than that of a mere occupant, tenant or mortgagee.

Property – as defined by *The Municipalities Act*, means, for the purposes of sections 9 and 39 and Parts X and XI, land or improvements or both.

Serviced – means utility mains are installed.

Spec Home – a new, move-in-ready home built by home builder



Special Circumstances – means the criteria and factors associated with a unique development applying for a tax exemption. Council shall consider the tax exemption application on its own merit, on a case-by-case basis. This type of request for tax exemption shall be entirely at the discretion of Council.

Tax Abatement – the reduction of or exemption from taxes granted by a government for a specified period.

Tax Exemption – means tax abatement applied to new improvements on land that was developed.

Commercial/Industrial Tax Incentive

3. Selection Criteria

Council will consider the following selection criteria when reviewing an application for commercial/industrial tax incentive:

- The impact the business development will have on the RM of Prince Albert No.461;
- Potential direct and spin-off job creation as a result of the development;
- The increased business services or products available;
- Esthetic improvements to land or property;
- Any other factors.

4. Year 1 - 75% Tax Abatement

Year 2 – 50% Tax Abatement

Year 3 – 25% Tax Abatement

5. Commercial/Industrial Exclusions:

The municipality will not normally consider providing a tax exemption in the following situations:

a. Existing Business:

- Tax exemptions will not normally be provided to:
 - o New owner(s) of an existing business as the business is established.
 - o New business that is renting or leasing commercial space from a landlord.

b. Home Based Business:

- Home Based Businesses will not be considered for inclusion under this policy.

c. Municipal Discretion:



- The Municipality may not provide such tax exemptions where it is believed it is not in the best interest of the public and where it does not enhance the economic progress of the community.

Residential Tax Incentive

The Residential Tax Incentive is for new or replacement dwellings and new multi-unit residential dwellings within the RM of Prince Albert No. 461.

6. Selection Criteria:

Council will consider the following selection criteria when reviewing an application for a residential tax incentive:

- Encourage new Single and Multiple residential development within the Municipality;
- Any other factors.

7. Year 1 - 75% Tax Abatement

Year 2 – 50% Tax Abatement

Year 3 – 25% Tax Abatement

8. This agreement may be assigned to a new owner of the Lands:

- Residential Only - as it pertains to an existing agreement (the exemption may follow the property until it has been satisfied).

9. Residential Exclusions:

The municipality will not normally consider providing a tax exemption in the following situations:

a. Existing Residential Buildings:

- Tax exemptions will not normally be provided to:
 - o New owners of an existing residential building.
 - o The renting or leasing residential dwellings from a landlord.
 - o **Exception** – Spec Homes (see definition).

b. Additions to an existing residential building:

- Any additions to a pre-existing residential dwelling will not be considered for inclusion under the bylaw.

c. Detached Accessory Buildings.



- d. Where work for which a permit was commenced prior to the issuance of the development or building permit.
- e. Dwellings that are moved in, that have had prior occupancy.
- f. Municipal Discretion:
 - The Municipal may not provide such tax exemptions where it is believed it is not in the best interest of the public.

10. Evaluation:

a. Application of the Exemption:

A person or business requesting a tax incentive for commercial/industrial or residential development shall complete the application form attached as Appendix A, to the best of their knowledge and ability.

Council may provide a property tax exemption to the increases assessed value (improvements) based on new construction on bare land, excluding any additions, accessory buildings or expansions.

- All Tax Incentives applications must be submitted with the approved Development/Building Permit;
- The incentive will not be entered in the tax roll until the portion of taxes not eligible for tax abatement is paid. If taxes due are not received by December 31 of the current year, the incentive will not be granted for the following calendar year. If property is in arrears, the tax incentive will be rescinded;
- Each property can access only one tax incentive per property;
- A tax abatement agreement must be approved by Council for execution and signed by the property owner prior to the annual levy;
- The incentive is only valid if the business remains operational. In the event the business closes within the period of the agreement, the tax concession shall immediately become null and void;
- Full compliance with all the RM of Prince Albert No. 461 Zoning Bylaw, District Official Community Plan, Building Bylaw, Fire Safety Act, and The National Building Code shall be required. Failure to submit required documents by the property owner shall result in the forfeit of all rights to the Exemption provided in this policy;
- All required Development Permits, Demolition Permits and Building Permits must be completed and approved;



- All outstanding accounts (receivables, tax etc.) with the RM of Prince Albert No. 461 must be paid in full before the Exemption will be granted and must be fully maintained during the Exemption period.

b. Confidentiality:

- The application form shall be confidential and shall not be disclosed to the public. The information shall be used solely by the municipality to confirm the application meets the criteria and intent of this bylaw.

c. Ineligibility:

- No tax abatement will be granted where an existing business, building, dwelling or structure is moved from one location to another within the RM of Prince Alvert No.461;
- Trailers, mobile homes and modular homes are not eligible for exemption.

11. Agreement:

A Tax Incentive Exemption will be provided by agreement between the applicant and the RM of Prince Albert No. 461. The applicant shall abide by all terms and conditions of the agreement in order to receive the incentive.

Exemptions will be applied for new development on the date that the Development/Building Permit has been approved.

Tax Exemptions may be rescinded:

- If the development is not completed within the specified timeframes on application and building permit;
- The development changes from its intended use as noted in the application;
- The information provided in this application is fallacious or misleading; and
- If any taxes and fees are in arrears.

12. Authorization:

The CAO and Reeve are authorized to sign tax exemption agreements together once the tax exemption has been approved and passed by Council.

13. Repeal:

The tax exemption may be repealed at any time within 30 days' notice at the CAO's discretion. Circumstances where the tax exemption agreement may be repealed include but are not limited to:



- The applicant failing to complete their development as specified in the application or having an expired development/building permit;
- The applicant not understanding the business activity or providing services as detailed in their application as the intended use;
- Providing fallacious or misleading information in the application;
- Failure to comply with any of the terms specified in the application and subsequent agreement; and
- If any taxes and fees become in arrears.