

R.M. of Lumsden No. 189 Bare Land Tax Incentive Policy

Policy:

1.0 Tax Incentive Policy Objective

The Bare Land Tax Incentive Policy is developed in an effort to meet the spirit and intent of Council's objective to support development within the RM by recognizing the costs to developers for the construction of infrastructure for multiple lot subdivisions and the tax burden that can be incurred while they are trying to market their newly-subdivided property.

The Bare Land Tax Incentive Policy shall only apply to developers of multiple lot subdivisions and shall only apply so long as the original developer owns the subdivided properties. Special consideration may be extended by Council to purchasers of multiple lots for the purpose of marketing or re-sale of the subdivided lots from the original developer.

2.0 Definitions:

1st Year -means the year in which the subdivision is assessed by the Saskatchewan Assessment Management Agency (SAMA).

2nd Year -means the 2nd year in which the subdivision is assessed by SAMA.

3rd Year -means the 3rd year in which the subdivision is assessed by SAMA.

4th Year -means the 4th year in which the subdivision is assessed by SAMA.

5th Year -means the 5th year in which the subdivision is assessed by SAMA.

Chief Administrative Officer (CAO) - means the Chief Administrative Officer for the RM of Lumsden No.189.

Commercial and Industrial Subdivision – defined as land that is within the Commercial or Industrial Zoning Districts in the Municipality's Zoning Bylaw and has been subdivided into multiple lots and serviced as per Section 4.0 of this Policy.

Developer – the owner of land that has been subdivided into multiple lots for residential or commercial/industrial purposes and who entered into a servicing agreement with the municipality for the subdivision of the land and serviced as per Section 4.0 of this Policy.

Multiple Lot– for the purposes of this policy, means any subdivision with three or more titled lots registered with Information Services Corporation.

Residential Subdivision – defined as land that is within the Residential Zoning Districts in the Municipality's Zoning Bylaw and has been subdivided into multiple lots and serviced as per Section 4.0 of this Policy.

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

Tax Abatement – means a cancellation of property taxes related to the land that was subdivided into multiple lots for development purposes.

3.0 Background

Section 295 of *The Municipalities Act* (the ‘Act’) provides authority for a municipality to exempt (abate) property from taxation for economic development purposes for a period of up to five (5) years. When an agreement under this section of the Act is entered, the exemption (abatement) also applies to taxes collected on behalf of other taxing authorities under Section 298(6) of the Act (i.e. school divisions).

4.0 Policy

Council, in its sole discretion, may provide tax relief; either through a separate policy or bylaw, to Developers who have developed a multiple lot (three or more) residential or commercial/industrial subdivision, serviced with both water and sewer under the following parameters:

Municipal and School Taxes may be provided for a maximum of a 5 (five) year period, the authority of which is provided by Section 298(6) of The Municipalities Act, to the developer of a multiple lot (three or more) residential or commercial/industrial subdivision with the following parameters:

1 st Year	- 100% Municipal and School tax abatement
2 nd Year	- 100% Municipal and School tax abatement
3 rd Year	- 100% Municipal and School tax abatement
4 th Year	- 50% Municipal and School tax abatement
5 th Year	- 50% Municipal and School tax abatement

The above Tax Incentives are subject to the following conditions:

- a. The Developer must own or have a legal interest in the land.
- b. The abatement does not apply to the assessment of any buildings or improvements that may be constructed or are incidental to the construction process (i.e. ATCO Trailer).
- c. Tax abatement will not be granted on properties in arrears of taxes.
- d. This Bare Land Tax Incentive Policy cannot be stacked with any other Municipal tax incentive policy.

- e. The Municipality agrees that the abatement of levied taxes, shall include school taxes pursuant to Section 298(6) of the Act.
 - The applicant agrees that the abatement of levied taxes, including school taxation, shall at all times be subject to the Municipality having the statute authority to provide the abatement to levied taxes, without the municipality having to either pay out the abated school tax revenue; or obtain the consent of the school board (or Ministry) for the abatement.
- f. Tax abatement will not apply to local improvement levies.
- g. Country Residential Parcels subdivided from agriculture land that is located within an Agriculture Zoning District in the Municipality's Zoning Bylaw do not qualify for the Bare Land Tax Incentive Policy.
- h. The Bare Land Tax Incentive Policy only applies to multiple lot (three or more) residential or commercial/industrial subdivisions that are serviced with water and sewer. If water and sewer is not installed immediately, Council may contemplate offering the abatement if water and sewer provisions are an obligation of a Servicing Agreement. In such cases, Council will only provide consideration, if the Servicing Agreement is signed by both parties and a Servicing Agreement Interest is registered on the title of the land, pursuant to Section 175 of *The Planning and Development Act, 2007*.
 - At its sole discretion, Council may consider applying the Bare Land Tax Incentive Policy to multiple lot (three or more) commercial/industrial subdivisions that only are serviced with water infrastructure, only if it can be demonstrated that the types of uses within the subdivision do not require sewage infrastructure, or that the intention is that individual lot owners will install their own private sewage collection systems (ex. Septic Tank).
- i. Tax e abatements will not apply once the property is sold by the Developer and the title is transferred to the lot purchaser. If this title transfer occurs after the taxes are levied by the municipality, the abatement will remain in effect for that taxation year.
- j. Where tax abatements are to be prorated from an effective date, the RM Chief Administrative Officer shall determine this date.
- k. The above are tax incentive guidelines only, and while incentives are based on this criteria, each tax abatement requires authorization by resolution or bylaw of Council to be in force.
- l. Council may consider other abatement options for special circumstances. In cases where the initial abatement period has expired, Council may consider further abatements, for economic development purposes, on a case-by-case basis.