



Town of **SLAVE LAKE**

COMMERCIAL AND INDUSTRIAL MUNICIPAL TAX INCENTIVE BYLAW



Summary Information Package

Bylaw Intent

Town of Slave Lake Council passed the Commercial and Industrial Municipal Tax Incentive Bylaw in August 2023 with the intention of providing a municipal tax incentive to attract commercial and industrial investors and promote expansion by existing investors through providing an exemption to a portion of municipal property taxes attributable to the differential between the pre-construction assessment and the post-construction assessment for eligible property.

Purpose

- Encourage the development or revitalization of Non-Residential properties and Machinery and Equipment in the Town of Slave Lake for the general benefit of the municipality.
- Establish tax exemptions for Eligible Property in accordance with the *Municipal Government Act* when there is a New Development or a Renovated Development that meets the criteria and requirements.

Definitions



Base Assessment Year

Is the assessment year immediately prior to the assessment year that has an increase in Improvement Assessment as a result of New Development or Renovated Development and in which the increase is used within the net calculation of Improvement Assessment to qualify for a Tax Exemption.



Improvement Assessment

Means the change in an assessed value of a property from immediately prior to the addition of an Improvement or Improvements to a property to the assessed value immediately after the addition of the Improvement or Improvements to the property that is attributable solely to the Improvement or Improvements added to the property, as determined by the Town, acting reasonably.



Eligible Property

Means property within Assessment Class 2 - Non-residential and Assessment Class 4 - Machinery and Equipment



Non-Residential Property

A property or a portion of a property on which industry, commerce, or farming operations currently take place (excluding home-based businesses).



Machinery and Equipment

Means materials, devices, fittings, installations, appliances, apparatus and tanks (other than tanks exclusively used for storage), including supporting foundations, footings, and any other things prescribed by the government that forms an integral part of an operational unit intended for or used in manufacturing, processing, or production.



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ELIGIBILITY REQUIREMENTS



New Developments and Renovated Developments may be eligible for an Exemption if the following eligibility criteria are met:

- The property subject to the New Development or Renovated Development must not have any Tax Arrears or have amounts owing with regards to property tax, utilities, or other fees owing to the Town.
- The property subject to the New Development or Renovated Development must not have development compliance issues, be in violation of a development agreement, be in violation of any municipal bylaws, or be in violation of the *Safety Codes Act* at any time during the taxation years for which the Exemption applies.
- All applicable municipal, provincial, and federal approvals and permits are in place with respect to the property subject to the New Development or Renovated Development.
- The registered property owner and the Assessed Person of the property subject to the New Development or Renovated Development is not involved in some form of litigation with the Town.
- The current Improvement Assessment for the New Development or Renovated Development on the subject property must have increased by at least \$50,000 compared to the Base Assessment Year. The change in valuation for the Assessment of land is excluded from this calculation.
- The business operating on the property subject to the New Development or Renovated Development must have a current Town of Slave Lake Business License.
- Be located in an area zoned for the applicable commercial or industrial land use district within the Town.
- The New Development or Renovated Development must comply with requirements as stated in the Towns' Land Use Bylaw.

Definitions

New Development

Means new Improvements on an Eligible Property that increased the Improvement Assessment of that property.

Renovated Development

Means renovations or physical additions to existing improvement on an Eligible Property that increased the Improvement Assessment of that property.



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APPLICATION FOR EXEMPTION



In order to receive a tax exemption, you must fill out and submit an application to the Town of Slave Lake. The Application Form can be found on our website at <https://www.slavelake.ca/formcenter>

Details for Application

- The Assessed Person of the property subject to the application must submit a Complete Application to the Town; and the Town has the discretion to refuse or reject applications, including for reasons of an application being incomplete, or addressing ineligible property.
- As part of a Complete Application, the Assessed Person must agree to enter into a Tax Incentive Agreement with the Town, if their application is approved for an Exemption.
- A Complete Application may be considered and approved in accordance with the requirements of the Bylaw before construction on the subject property is complete, however, the Exemption will not apply until all construction on the subject property is complete, and all required inspections and approvals are issued.
- Complete Applications must be received by June 30 of the year prior to the year in which the requested Exemption is to commence. Any Complete Application received after June 30 of the given year will be considered for an Exemption for the following tax year.
- The Town of Slave Lake, at any time, may require an Assessed Person to provide any documents the Town deems necessary to verify any information contained in a Complete Application or to confirm ongoing compliance with the eligibility criteria of the Exemption.



CALCULATION OF THE EXEMPTION



Exemptions may be granted for the municipal, improvement portion of taxes only and does not include school or other Provincial requisitions. The Tax exemption applies only to the increase in Improvement Assessment Value.

Table for Calculation of Exemption

	Increased Improvement Assessment Value				
	\$50,000 - \$100,000	\$100,001 - \$500,000	\$500,001 - \$1,000,000	\$1,000,001 - \$5,000,000	+\$5,000,000
Year 1	75% = (\$521 - \$1,042)	75% = (\$1,042 - \$5,212)	75% = (\$5,212 - \$10,424)	100% = (\$13,900 - \$69,500)	100% = (\$69,500+)
Year 2		50% = (\$695 - 3,475)	50% = (\$3,475 - \$6,950)	75% = (\$10,424 - \$52,120)	100% = (\$69,500+)
Year 3			25% = (\$1,737 - \$3,474)	50% = (\$6,950 - \$34,750)	100% = (\$69,500+)

NOTE: RED text indicates potential tax savings based on the 2022 Municipal Mill Rate

Terms of Exemption

- The amount of the Exemption shall apply each year for a period of no more than three (3) taxation years.
- The Exemption exempts the portion of increased Assessment Value from Municipal Property tax in a given year to the extent provided in the above table, to a maximum of 100%.
- If the Current Taxes are not paid in full by December 31 of any year, then the Exemption shall be cancelled.
- The Assessed Person must enter into a Tax Incentive Agreement with the Town of Slave Lake which may stipulate further or other conditions.

