

Background and Previous Council Direction

Background

Section 364.2 of the *Municipal Government Act, RSA 2000, c. M-26*, allows municipalities to grant tax exemptions and tax deferrals (collectively, “incentives”) to non-residential properties for the purpose of encouraging the development or revitalization of these properties for the general benefit of the municipality. It gives municipalities the discretion to determine how much they wish to reduce or defer taxes for a particular non-residential property.

MGA Excerpt:

Tax incentives for non-residential property

364.2(1) In this section,

- (a) “deferral” means a deferral under this section;
- (b) “exemption” means an exemption under this section.
- (c) repealed 2019 c21 s2.

(2) A council may, by bylaw, for the purpose of encouraging the development or revitalization of properties in an assessment class specified in section 297(1)(b) or (d) for the general benefit of the municipality, provide for

- (a) full or partial exemptions from taxation under this Division for property in one or both of those assessment classes, or
- (b) deferrals of the collection of tax under this Division on property referred to in clause (a).

(3) A bylaw under subsection (2)

- (a) must set criteria to be met for property to qualify for an exemption or deferral,
- (b) must establish a process for the submission and consideration of applications for an exemption or deferral,
- (c) must not provide for an exemption or deferral to have effect in respect of a property for more than 15 consecutive taxation years, but may, if the council considers it appropriate, provide for subsequent exemptions or deferrals of 15 consecutive taxation years or less to be applied for and granted in respect of the property, and
- (d) if the bylaw provides for any person other than the council, including a designated officer, to refuse to grant an exemption or deferral or to cancel an exemption or deferral,

must establish a process for applications to the council for the review of those decisions and must specify the period of time within which the application must be made.

- (4)** If after reviewing an application the municipality determines that the property meets the requirements for a full or partial exemption or for a deferral, the municipality may grant the exemption or deferral.
- (5)** An exemption or deferral must be granted in a written form that specifies
- (a) the taxation years to which the exemption or deferral applies, which must not include any taxation year earlier than the taxation year in which the exemption or deferral is granted,
 - (b) in the case of a partial exemption, the extent of the exemption, and
 - (c) any condition the breach of which will result in cancellation under subsection (6) and the taxation year or years to which the condition applies.
- (6)** If at any time after an exemption or deferral is granted under a bylaw under this section the municipality determines that the property did not meet or has ceased to meet a criterion referred to in subsection (3)(a) or that a condition referred to in subsection (5)(c) has been breached, the municipality may cancel the exemption or deferral for the taxation year or years in which the criterion was not met or to which the condition applies.
- (7)** Where a municipality refuses to grant or cancels an exemption or deferral, the municipality must send a written notice to the applicant stating the reasons for the refusal or cancellation and, if a review of the decision is available under subsection (3)(d), the date by which any application for that review must be made.
- (8)** Where a municipality grants or cancels an exemption or deferral in respect of designated industrial property, the municipality must notify the provincial assessor and provide any other information requested by the provincial assessor respecting the exemption, deferral or cancellation.
- (9)** Subject to subsection (6), any order referred to in section 127(1.1) and the criteria and conditions on which an exemption or deferral was granted, the exemption or deferral remains valid regardless of whether the bylaw under which it was granted is subsequently amended or repealed or otherwise ceases to have effect.

Previous Council Direction

DATE	REPORT NUMBER	DIRECTION/DESCRIPTION
2023 October 17	EC2023-1120	Tax Incentives for Renewable Generation Developments on Brownfield Sites Council adopted Council Policy CP2023-04, Tax Incentives for Renewable Power Generation Developments on Brownfield Sites.