

BYLAW NO. 03 – 2023 TOWN OF VEGREVILLE

THIS BYLAW NO. 03-2023 OF THE TOWN OF VEGREVILLE, IN THE PROVINCE OF ALBERTA FOR THE PURPOSE OF ESTABLISHING A MACHINERY & EQUIPMENT INCENTIVE TAX EXEMPTION BYLAW

WHEREAS pursuant to section 364.2 of the *Municipal Government Act* R.S.A. 2000, c. M-26, Council may pass a bylaw, for the general benefit of the municipality, provide for full or partial exemptions from taxation for property in the machinery & equipment class;

NOW THEREFORE the Municipal Council of the Town of Vegreville, in the Province of Alberta, duly assembled, enacts the following:

1. Short Title

1.1 This Bylaw shall be titled the **Machinery & Equipment Incentive Tax Exemption Bylaw**

2. Purpose

2.1 The purpose of this bylaw is to:

- (a) Encourage the development or revitalization of non-residential properties and machinery and equipment in the Town of Vegreville for the general benefit of the municipality;
- (b) Establish tax exemptions in accordance with section 364.2 of the *Municipal Government Act* for Assessed Persons where there is machinery and equipment assessed that meets the criteria and requirements set out in this bylaw;
- (c) Provide a process for application for a tax exemption under this bylaw; and
- (d) Provide a process for review by Council of the refusal or cancellation of a tax exemption under this bylaw.

3. Definitions

3.1 **Applicant** means a person who applies for an Exemption;

3.2 **Assessed Person** means an assessed person as defined under section 284(1) of the *Municipal Government Act*;

3.3 **Commercial Operation Date** means the date from which the machinery and equipment components of the New Project or Expansion Project are operational as determined in accordance with *Matters Relating to Assessment and Taxation Regulation [MRAT]* and the *Municipal Government Act*;

3.4 **Complete Application** means an application submitted pursuant to this bylaw that includes the application form, any information and documents set out on the application form and any additional application requirements for the tax incentives under this bylaw, including any additional documentation requested by the Town to verify the accuracy of the information provided;

3.5 **Exemption** means the portion of taxes on machinery and equipment that have been determined to be exempt in accordance with this bylaw;

- 3.6 **Machinery and Equipment** means the type of property falling within the assessment class specified in section 297(1)(d) of the Municipal Government Act;
- 3.7 **Property** means the property or properties on which an Applicant is applying to qualify for an Exemption;
- 3.8 **Qualifying Property** means a Property which meets the criteria under this bylaw for an Exemption;
- 3.9 **Town of Vegreville** means the area of land that falls within the municipal boundaries of the Town of Vegreville;
- 3.10 **Tax Incentive Agreement** means a written agreement setting out the terms and conditions for an Exemption for the Qualifying Property.

4. Authority to Grant Exemption

- 4.1 The CAO has the authority to determine whether an Exemption will be granted in accordance with the terms and conditions of this bylaw.

5. Criteria for Exemption

- 5.1 To be eligible for an Exemption, the following eligibility criteria must be met:
- (a) Requirements for Qualifying Property
- (i) be physically located within the designated geographic area of the Town of Vegreville;
 - (ii) obtain all necessary development approvals from the Town;
 - (iii) not be going through foreclosure; and
 - (iv) not have development compliance issues, be in violation of a development agreement, or in violation of the Safety Code Act at any time during the taxation years for which the Exemption applies.
- (b) Requirements for Applicant
- (i) Applicant is the Assessed Person or authorized agent for the Assessed Person;
 - (ii) Assessed Person must not be in arrears or have amounts owing with regards to property tax, utilities, or other fees owed to the Town;
 - (iii) Assessed Person must not be in bankruptcy or receivership;
 - (iv) Assessed Person must be in compliance with the terms and conditions of any grant or other financial assistance received from the Town;
 - (v) Assessed Person and their agent must not furnish false information within an Application, or furnish false information or misrepresent any fact or circumstance to the Town whether as part of the application process or during the term of the Tax Incentive Agreement; and
 - (vi) Assessed Person and their agent must meet all requirements under this bylaw and the Municipal Government Act.

6. Ineligible Properties

- 6.1 The CAO may exercise discretion to refuse to have the Town grant an Exemption when:
- (a) an entity related to the Assessed Person is in bankruptcy, or receivership;
 - (b) the Assessed Person owns any interest in another property that is going through foreclosure;
 - (c) an entity related to the Assessed Person owns any interest in another property going through foreclosure;
 - (d) the Property is the subject of some form of litigation;
 - (e) the Assessed Person is involved in litigation with the Town; or
 - (f) in the sole discretion of the CAO, there is any other reason to believe that the Exemption is not in the public interest.

7. Period of Effect of Exemption

7.1 An Exemption may have effect for up to:

- (a) 15 consecutive taxation years if an Assessment is prepared for the Property in the same taxation year as the approval of this bylaw, but in no case will the Exemption have effect for more than 15 consecutive taxation years; and
- (b) Any Applications made in years proceeding the adoption of this bylaw will be entitled to Exemption equal to the remaining years of the 15 year term.

7.2 Notwithstanding anything in this bylaw, no exemption will be permitted to apply in a taxation year that is more than 15 years after an exemption is approved in accordance with this bylaw.

8. Change of Ownership

8.1 A change in ownership of the Property will not affect the Exemption unless the new owner falls within one or more of the terms for disqualification under section 6 of this bylaw.

8.2 To maintain eligibility for the Exemption, the new owner must assume the obligations that arise under the Tax Incentive Agreement.

9. Application for Exemption

9.1 The application process for an Exemption is as follows:

- (a) Applicants must submit a Complete Application to the Town, and the Town has the discretion to reject applications that are incomplete, ineligible, or provided after the deadline provided in this bylaw;
- (b) Applicants whose applications are returned as incomplete or ineligible may resubmit an application;
- (c) notwithstanding the Complete Application requirements, the Town may require any additional information that, in the discretion of the Town, is necessary to complete the application and may require the Applicant's consent to be given for the Town to obtain such additional information;
- (d) Complete Applications may be considered and approved in accordance with this bylaw before construction on the qualifying property is complete; however, the Exemption will not apply until all construction on the Qualifying Property is complete, the development is inspected and approved, and the Commercial Operation Date takes place; and
- (e) the Town will advise Applicants in writing if their application is accepted for consideration. Applications accepted for consideration will become the property of the Town and may not be returned.

10. Decision on Exemption

10.1 The CAO will consider each application and:

- (a) grant the Exemption and enter into a Tax Incentive Agreement with the Applicant; or
- (b) reject the application and advise the Applicant with written reasons as to why.

10.2 The CAO is authorized to enter into a Tax Incentive Agreement with the Applicant if an Exemption is granted.

10.3 The CAO will issue a written Decision to the Applicant outlining the following information:

- (a) whether a Property qualifies for the Exemption, and the years to which the Exemption applies, which must not include any taxation year earlier than the taxation year in which the Exemption is granted, if applicable;
- (b) any reason why the Property fails to qualify for the Exemption and provide the date by which an application for an appeal to Council must be made;
- (c) the extent of any exemptions granted on the Property pursuant to the terms of this bylaw; and

- (d) any conditions, the breach of which will result in the loss of the Exemption and the taxation year or years in which the conditions apply.

10.4 In issuing a Decision under subsection (1), and in the Tax Incentive Agreement, the CAO may set conditions requiring the Applicant to provide information requested by the Town to enable the Town to monitor whether the Property continues to meet the terms of this bylaw throughout the period for which the Exemption is granted, or to ensure that the calculation of the Exemption is accurate, including the provision by the Applicant of consent for the disclosure of such information to the CAO by employees or agents of the Town, other governments, government agencies, or other persons.

10.5 It will be a deemed condition of all Decisions that section 6 of this bylaw be complied with on an ongoing basis.

10.6 When a condition of the Decision is breached, a Property no longer qualifies for an exemption under this bylaw, or information becomes available that shows that the Property should not qualify for an exemption under this bylaw, the CAO will issue a written Decision cancelling the exemption, provide an explanation why the exemption has been cancelled, and what criterion or conditions must be met in order for the exemption to be reinstated, if applicable. The written Decision will also provide the date in which an appeal to Council must be submitted.

11. Calculation and Application of the Exemption

11.1 An Exemption granted pursuant to this bylaw will be calculated and applied in accordance with this section.

- (a) 100% of the machinery and equipment taxation assessment
No exemption will be granted to exempt any education requisition, housing requisition or any other requisition including a designated industrial property requisition.

12. Commencement of Exemption

12.1 The Exemption will begin in effect when:

- (a) the Commercial Operation Date is reached; and
- (b) the Applicant has demonstrated that all applicable conditions of the Decision, the Tax Incentive Agreement and requirements under this bylaw have been met.

13. Tax Incentive Agreement

13.1 A Tax Incentive Agreement will be required for all granted Exemptions. The Tax Incentive Agreement will include the following:

- (a) the taxation years to which the Exemption applies, which must not include any taxation year earlier than the taxation year in which the Exemption is granted;
- (b) conditions the breach of which will result in cancellation of the Tax Incentive Agreement and the Exemption, and the taxation year or years to which the conditions apply;
- (c) the date which the Exemption will begin in effect, which will be the Commercial Operation Date;
- (d) the amount of the Exemption, to be calculated and allocated in accordance with section 11 of this bylaw; and
- (e) any other information or conditions provided by the Town.

14. Cancellation of Exemption

14.1 If at any time after an Exemption is granted, the Town determines that:

- (a) the Applicant or their application did not meet or ceased to meet any of the criteria in which formed the basis of granting the Exemption; or
- (b) there was a breach of any condition of the Tax Incentive Agreement;

the Town may cancel the Exemption for the taxation year or years in which the criterion was not met or to which the condition applies.

14.2 A written Decision to cancel an Exemption must be provided to the Applicant and must include reasons for the cancellation, identify the taxation year or years to which the cancellation applies, and provide the date by which an application for an appeal to Council must be made.

15. Appeal of Decision

15.1 An Applicant may appeal to Council in the following situations:

- (a) an Application for Exemption is refused or rejected;
- (b) an Exemption is cancelled for one or more taxation years;
- (c) a Tax Incentive Agreement is cancelled; or
- (d) content of the Tax Incentive Agreement is inconsistent with the bylaw or the Municipal Government Act.

15.2 A request for appeal must be submitted in writing to the CAO within 30 days of:

- (a) written notice being sent to the Applicant that an application has been refused or rejected;
- (b) written notice being sent to the Applicant that an Exemption is cancelled for one or more taxation years;
- (c) written notice being sent to the Applicant that a Tax Incentive Agreement is cancelled; or
- (d) execution of a Tax Incentive Agreement

as the case may be.

15.3 Council will consider an appeal at:

- (a) a regularly scheduled meeting of Council; or
- (b) a special meeting of Council.

15.4 Remedies available to Council upon conclusion of an appeal are:

- (a) Council may uphold or revoke a decision of the CAO with respect to the outcome of an application or cancellation of an Exemption or Tax Incentive Agreement; or
- (b) Council can revise or direct the CAO to revise a Tax Incentive Agreement.

15.5 In accordance with section 460(7) of the Municipal Government Act, complaints about a Decision may not be made to the assessment review board.

16. Effective Date

16.1 This bylaw shall come into force and effect on the date of the final passing thereof.

READ for a first time this 8th Day of May, 2023 A.D.

READ for a second time this 8th Day of May, 2023 A.D.

UNANIMOUS CONSENT RECEIVED FOR THIRD AND FINAL READING

READ for a third time this 8th Day of May, 2023 A.D.


TIM MACPHEE, Mayor


CHRISTOPHER LEGGETT, CAO