	<h1>Town of Vegreville Policy</h1>
Policy No.: Policy Title: Approval Date: Department:	FIN-6011 Taxation of Derelict & Vacant Lands Policy February 24, 2025 Corporate Services
Revisions:	

Policy Statement:

The Town of Vegreville recognizes that differential tax rates can be utilized to incentivize or disincentivize certain behaviours including land banking and development within the Town. In this regard, separate tax assessment subclasses for derelict residential, vacant residential and vacant non-residential properties have been established.

The Town of Vegreville shall establish the criteria for the application of a tax assessment subclass which can be utilized to implement a differential tax rate for the derelict residential, vacant residential and vacant non-residential properties in the Town that are identified in this policy.

1.0 Reason for Policy

- 1.1 The purpose of this policy is to establish guidelines and criteria to determine which properties will be assigned the assessment subclasses Derelict Residential, Vacant Residential and Vacant Non-Residential as established by Bylaw 01-2025.

2.0 Definitions

- 2.1 **Assessor** means any of the accredited assessment staff contracted by the Town of Vegreville.
- 2.2 **Assessment Class** refers to a property’s classification for assessment purposes, as determined and used by the Assessor in preparation of the annual Assessment Roll.
- 2.3 **Derelict Residential** means a subclass of property classified as Class 1- residential, as set out in Section 297 of the *Municipal Government Act*, which is a property that:
 - 2.3.1 Falls within the Town of Vegreville Land Use classification zoning R1 (Single Detached Residential District) or R2 (Single Detached Compact Residential District)
 - 2.3.2 Contains a fully or partially constructed improvement, designed to have a residential living area, where the improvement shows serious signs of neglect, is dilapidated, falling into significant disrepair, or is uninhabitable, including but not limited to improvements;
 - i. That are deserted, or abandoned;

- ii. Which are partially or fully boarded up or secured;
- iii. For which an order indicating an improvement or the property is unfit for habitation have been issued;
- iv. Which were abandoned while in the process of being constructed without construction being complete; or
- v. Which were abandoned while in the process of demolition without demolition being complete.

2.4 **Physical Condition Date** mean the statutory date prescribed within the *Municipal Government Act*, for use by the Assessor in determining what buildings and/or improvements existed on a property as of December 31st of each calendar year.

2.5 **Town** means the Town of Vegreville.

2.6 **Vacant and Derelict Lands Tax Rate** shall be the reference given to the higher rate of taxation given to those properties which are deemed affected by this bylaw.

2.7 **Vacant Non-Residential** means a sub-class of property classified as Class 2- non-residential, as set out in Section 297 of the *Municipal Government Act*, containing improvements that, for the two (2) preceding tax years, were:

2.7.1 Empty, unoccupied, or not used for a purpose consistent with the Town of Vegreville Land Use classification zoning C2 (Central Commercial District) or C3 (Highway Commercial District); and,

2.7.2 Subject to non-residential taxation.

2.8 **Vacant Residential** means a subclass of property classified as Class 1- residential, as set out in Section 297 of the *Municipal Government Act*, which the Assessor has deemed to be undeveloped and not having any notable physical construction on site for the two (2) preceding tax years.

3.0 Responsibilities

3.1 Town Council to:

3.1.1 Annually approve of tax rates for all tax subclasses which will appear within the annual Tax Rate Bylaw.

3.1.2 Approve the bylaw as required under the *Municipal Government Act* Section 297(2) for the creation of the Derelict and Vacant Residential assessment subclasses.

3.1.3 Approve the bylaw as required under the *Municipal Government Act* Section 297(2.1) for the creation of the Vacant Non-Residential assessment subclass.

3.1.4 Approve by resolution this policy and any amendments.

3.1.5 Consider the allocation of resources for successful implementation of this policy

in the annual budget process.

3.2 Chief Administrative Officer to:

- 3.2.1 Implement this policy and approve procedures.
- 3.2.2 Ensure policy and procedure reviews occur and verify the implementation of policies and procedures.

3.3 Assessor to:

- 3.3.1 Annually determine which properties will be assigned the assessment class for Derelict Residential, Vacant Residential, and Vacant Non-Residential properties. Discretion resides with the Assessor to review, inspect, and determine which derelict or vacant lands meet the criteria as outlined in this policy, and to assess those properties accordingly.

4.0 Applicable Properties

4.1 Properties that meet the following criteria will be assigned the assessment subclasses – **Vacant Residential and Vacant Non-Residential** – as established in Bylaw 01-2025:

4.1.1 **Vacant Status:** Properties must be vacant as determined by the Assessor:

- i. The legislated Physical Condition Date of December 31, shall be used as the date by which the Assessor annually determines the property's status for assessment;
- ii. In any instance where a property owner disputes their vacant status (their Assessment Class) the remedy will be for the property owner to contact the Assessor, and if the dispute is not resolved, the recourse available to the property owner is the Property Assessment complaint process.

4.1.2 Properties having one of the following land use classifications (zonings):

- i. R1 – Single Detached Residential District
- ii. R2 – Single Detached Compact Residential District
- iii. C2 – Central Commercial District
- iv. C3 – Highway Commercial District

4.1.3 **Remained Vacant Status:** Properties must have remained vacant as described by the following circumstances:

- i. Properties containing improvements that, for the two (2) years preceding tax years were empty, unoccupied, or not used for the purpose consistent with the Town of Vegreville land use classification.
- ii. Properties which were formerly improved but have had improvements demolished and have remained vacant for a period of two (2) years or greater since their time of

demolition. In cases where properties become vacant as a result of demolition, the start dates for counting years of vacant status will commence at December 31st of the year of demolition.

4.2 Properties that meet the following criteria will be assigned the assessment subclasses – Derelict Residential – as established in Bylaw 01-2025:

4.2.1 Derelict Status: Properties must be derelict as determined by the Assessor:

- i. The legislated Physical Condition Date of December 31, shall be used as the date by which the Assessor annually determines the property's status for assessment;
- ii. In any instance where a property owner disputes their derelict status (their Assessment Class) the remedy will be for the property owner to contact the Assessor, and if the dispute is not resolved, the recourse available to the property owner is the Property Assessment complaint process.

4.2.2 Properties having one of the following land use classifications (zonings):

- i. R1 – Single Detached Residential District
- ii. R2 – Single Detached Compact Residential District

5.0 Excluded Properties

5.1 The following properties exhibiting any of the criteria below are intended to be excluded from this policy:

- 5.1.1 R1 and R2 zoned properties larger than 10.0 acres in the area that are deemed by the assessor to not yet be in their final and subdivided end use.
- 5.1.2 R1 or R2 zoned properties, whereby the property owner holds title to an adjacent improved property, and whereby the vacant lot in question has been integrated into the yard space enjoyed by the primary improved property. Typically, these properties are landscaped, treed, and fenced and are contiguous with the adjacent lot where the primary residence is located.
- 5.1.3 R1, R2, C2 or C3 zoned properties, whereby the assessor or CAO deems there are restrictive right-of-ways, easements, or irregular lot sizes inappropriate for construction of inhabitable property.
- 5.1.4 Properties that are classified by the Assessor as “Class 3 – farm land” as per *Municipal Government Act* Section 297(4)(a). As per *Municipal Government Act* Section 297(2) and Section 297(2.1), only those properties classified as residential (as opposed to farm land) can be contained within a subclass for the purposes of applying a different tax rate.

- 5.1.5 For clarity, properties that have the following land use classifications (zonings) are not subject to this policy:
- i. UR – Urban Reserve
 - ii. DC – Direct Control
 - iii. P – Community District
 - iv. All other land uses not mentioned in 4.1.2 above

6.0 Vacant and Derelict Lands Tax Rate

- 6.1.1 The Vacant and Derelict Lands Tax Rate, and all other tax rates, for general municipal purposes shall be set by Town Council annually within the Property Taxation Bylaw.

7.0 Reversion from Derelict Residential, Vacant Residential and Vacant Non-Residential Tax Rate

- 7.1 A property which has been assigned the Assessment Class Vacant Residential or Vacant Non-Residential will revert back to the Assessment Class Residential or Non-Residential (if applicable) under the following scenario:

- 7.1.1 Physical construction or inhabitancy has commenced on or before December 31st of the tax year in question. Discretion remains with the Assessor as to the confirmation of construction or habitation activity. The reversion will be enacted during the current tax year, by way of an assessment correction, with the tax calculation prorated to the nearest 1st of the month when construction or habitation was visibly evident.

- 7.2 For clarity, a property which is assigned the Assessment Class Vacant Residential or Vacant Non-Residential will not revert back to the regular municipal tax rate under the following scenarios:

- 7.2.1 The property owner has been issued a development permit by the Town in respect of the property on or before December 31st of the assessment year in question.

- 7.2.2 The property owner has been issued a building permit by the Town in respect of the property on or before December 31st of the assessment year in question. However, issuance of a building permit will inform the Assessor that construction is most likely imminent.

- 7.2.3 The property is sold, and title is transferred to a new owner. Change in ownership does not affect the vacant status provision.

- 7.2.4 The property is subdivided, consolidated, amended or legally altered in a manner that at the discretion of the CAO or their designate has not materially changed the nature of the property nor the vacant status of the lot.

- 7.3 A property which has been assigned the Assessment Class Derelict Residential will revert back to the Assessment Class Residential under the following scenario:

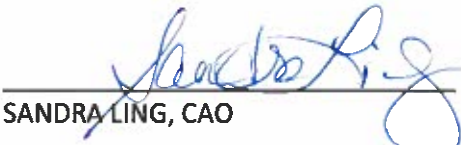
- 7.3.1 All physical conditions deeming the property derelict have been rectified on or before

December 31st of the tax year in question. Discretion remains with the Assessor as to the confirmation that derelict conditions have been corrected. The reversion will be enacted during the current tax year, by way of an assessment correction, with the tax calculation prorated to the nearest 1st of the month when derelict conditions were resolved.

8.0 End of Policy



Mayor TIM MACPHEE



SANDRA LING, CAO