Town of Shellbrook

Policy Title **Tax Free for Three- Business**		Adopted By **Council**	Policy Number **6000**	
Origin/Authority	Jurisdiction **Town of Shellbrook**		Effective Date June 9, 2014 Amended: June 8, 2015	Page 1of 3
Reviewed By **Council**				

Purpose: This initiative is to promote economic development in the Town of Shellbrook. The initiative being offered is three (3) year abatement on the municipal portion of the improvement, if it meets the requirement listed below.

Definitions:

1. **New construction**- any construction, for which a building permit has been issued by the Town of Shellbrook that results in an increase in taxable assessment for the improvement of the property.
2. **Additions** – new construction that is added onto an existing building

Policy:

If there is any substantial outstanding taxes owing of the property or utility charges owing by the occupant their eligibility for the tax exemption may be revoked and the property owner is responsible for paying the entire sum of taxes that would have been charged in the 3 Years.

New construction:

- The tax holiday will be available to property owners on a one time basis only.
- In all cases the land on which the business is situated will be assessed for taxation.
- The tax holiday will apply to the primary building only. Municipal land, school, hospital, BID, or any special levies added to the tax roll (i.e. Curb and gutter) are all still taxable.
- To be eligible a building permit must be issued by the Town of Shellbrook.
- The issuance of the building permit, and if necessary a demolition permit, must follow the criteria as set by the Town of Shellbrook.

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- The tax holiday is available only when a building permit has been approved and construction commences within the first year after purchase of the lot. The tax holiday will begin January 1st of the year following the permit date.
- If an existing building is being demolished to accommodate the construction of a new building, the tax holiday will take effect on January 1st of the year following the building permit being approved, providing the permit was applied for within one year of the demolition permit. As an infill incentive, a fourth year of municipal taxes will be abated on the building.

Additions

- Qualify only if the increase in assessment is equal to at least 75% of the original assessment, and the addition is attached to the existing business.
- Attached garages and storage buildings **do not** qualify.
- The tax holiday will be calculated from January 1st of the following year that the building permit is approved.

Infilling of Existing Buildings

Owner Occupied Premises

- Subject to Council approval, following a recommendation from town administration; new businesses that occupy existing buildings that have been vacant will qualify for the reductions in taxes as follows:

  - 50% in the first year of operation
  - 25% in the second year of operation
  - 12.5% in the third year of operation

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Rented Premises

- Providing there are no outstanding taxes on the property and;
- Subject to Council approval, following a recommendation from town administration; new businesses that occupy existing buildings that have been vacant for more than one year will qualify for the reductions in taxes via a grant payable to the business operator equal to:

  - 50% of the annual taxes on the premises at the end of the first year of operation
  - 25% of the annual taxes on the premises at the end of the second year of operation
  - 12.5% of the annual taxes on the premises at the end of the third year of operation

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1. Applicants must complete an ***"Application for Tax Exemption Incentive"*** in the prescribed form.

2. Upon receipt of application and approval by the Town of Shellbrook the applicant shall sign a ***"Tax Assessment Exemption Agreement"***

3. The tax assessment exemption starts from the January 1st following the approval date.

4. Full compliance with all Town of Shellbrook developmental and building permit policies shall be required. Failure to submit required documents by the property owner or his/her officer shall result in the forfeit of all rights to the tax exemptions provided in this policy.

Attachments: 2

Application for Tax Exemption Incentive

All Town of Shellbrook tax incentive programs are designed to encourage the development of properties in the Town by giving property tax assessment exemptions on the improvement portion of the applicable property assessment on new and renovation development.

Conditions of Eligibility for the Tax Assessment Exemption

1. Development whose building permit was issued by the Town of Shellbrook is eligible for the property tax assessment exemption on the new improvement portion of the property assessment starting the following January 1st.

2. Land assessment remains taxable.

3. A new owner of a property that has a tax assessment exemption agreement in place shall be eligible to continue the tax assessment exemption as long as the agreement is still current. (I.e. the tax assessment exemption is within the eligible time period.)

4. There are no outstanding taxes owing on the property or utility charges owing by the occupant.

Full Name of Applicant: _____

Civic Address:_____ Postal Code:_____

Phone: (Res.) _____ (Bus.) _____

Legal Description of Property: Lot(s):_____ Block: _____ Plan: _____

Date of Issue of Building Permit: _____ Date of Occupancy: _____

Was a building demolished before the new development was constructed? Yes _____ No_____

Date of Demolition: _____

I / We, the undersigned, understand the conditions of eligibility outlined above and would like to apply for a conditional tax assessment exemption under the applicable tax incentive program.

_____ _____

Applicant Date

New Business ( ) Existing Business ( )

For Office Use Only:

Approved: ( ) Denied: ( )

Date:_____Town Representative: _____

TAX ASSESSMENT EXEMPTION AGREEMENT

Between: The TOWN OF SHELLBROOK
Hereinafter called “the Town”

And Owners

Hereinafter called “the Owners”

WHEREAS the Town has developed a Tax Free for Three Program that provides for property tax assessment exemptions on certain properties in the Town under certain condition.

AND WHEREAS the Owners have met the requirements to obtain a property tax assessment exemption on all or a portion of the improvements on their property.

NOW THEREFORE the Town and owner covenant and agree:

1.0 The property eligible for the property assessment tax exemption is

Lot: _____

Block: _____

Plan: _____

Hereinafter called “the Lands”

2.0 Pursuant to the Town's “Tax Free for Three Program” and pursuant to Section 274 (1) of The Municipalities Act and subject to the terms of this agreement the Town grants an exemption from assessment fora period of (____) year(s) commencing on_____and concluding on _____ .

3.0 The exemption from assessment granted pursuant to this agreement does not include land assessment, local improvement levies, utility charges, development fees or other such charges or fees properly imposed by the Town or any other taxing authority.

4.0 The scope of the tax assessment exemption, including the calculation of any percentage or proportion and the determination of any cost, shall be conclusively determined by the Town Assessor.

5.0 The Owner shall promptly provide the Town with any information or documents requested by the Town Assessor to complete and check the assessment of the Lands and improvements thereon.

6.0 This agreement **IS NOT** transferable if the property is sold within the abatement period shown above

7.0 The tax assessment exemption shall continue only so long as:

a) The improvements on the Lands conform to all civic and provincial laws governing the construction and use of the improvements, including any zoning bylaws and The Uniform Building and Accessibility Standards Act.

b) There are no tax arrears on the Lands.

c) There are no outstanding utility charges owing on the property.

IN WITNESS whereof, the parties hereto have executed this agreement on the date first written above.

TOWN OF SHELLBROOK

_____
Mayor

_____
Administrator

_____
Witness

_____
Co-owner

_____
Witness

_____
Co-owner