MUNICIPALITY OF GRASSLAND

Development Incentive Tax Credit By-Law

BY-LAW No. 2024-07

BEING A BY-LAW of the Municipality of Grassland to establish a development incentive program to attract new residents and businesses; to encourage existing residents and businesses to remain; and encourage new residential, commercial and industrial development.

WHEREAS under The Municipal Act a Council may, by by-law, establish financial assistance programs;

AND WHEREAS financial assistance means a tax credit for property taxes;

AND WHEREAS Council is of the opinion that all efforts must be made to promote development in the municipality to support economic growth

NOW THEREFORE BE IT RESOLVED that the Council of the Municipality of Grassland, in open meeting assembled, enacts as follows:

1. PURPOSE

The purpose of this by-law is to provide for taxation incentives for new residential development, new or expanding commercial and industrial development, thus demonstrating the Municipality of Grassland's commitment and readiness to invest in the development of the municipality.

2. APPLICATION

This by-law applies to the whole Municipality of Grassland.

3. DEFINITIONS

3.1. **Base Year:** means the first year in which the full supplementary assessment increase is realized on the tax roll

3.2. **Tax Credit Reimbursement:** means money paid to eligible program participants as a reimbursement of their fully paid general municipal taxes;

3.3. **Municipality:** means the Municipality of Grassland

3.4. **Residential Property:** means real property assessment on buildings located with the Municipality of Grassland classified as "Residential – Taxable" in the assessment roll;

3.5. **Supplementary Assessment:** means added real property assessment on property to reflect an increase in value

3.6. **Portioned Assessment:** means the percentage of assessed value of a property that is subject to taxation as determined by provincial legislation

3.7. **General Municipal Taxes:** means the portion of taxes collected that go to the Municipality including transferred utility arrears. This does not include the education portion of taxes collected.

3.8. **Arrears:** means taxes from previous year(s) that are not paid in full.

3.9. **Developer:** means a person, agency or company that is responsible for constructing or renovating a structure on a property within the Municipality of Grassland.

3.10. **Registered owner:** means a person that holds the title to the property as registered within the Land Titles Office.

4. ELIGIBILITY

4.1. The Development Incentives Tax Credit is to be paid to the registered owner of a residential property within the Municipality for whom new general municipal taxes are generated from an increase in the assessed value of a property due to improvement including a building addition or renovations or new building construction; for a period of three (3) years commencing the base year.

4.2. A tax credit provided pursuant to this program does not terminate by reason of the sale of eligible building project.

4.3. Eligible developments include new residential construction, including multi-unit residential developments constructed completely on site; new construction or expansion of commercial / industrial structures (incentive only applies to the value of the square footage added to the existing structure), interior alterations of renovations may be considered eligible if they serve to increase the taxable assessment of the improvement as per section 5.2.

5. GUIDELINES

5.1. All eligible developments must result in a net increase in the property's assessment as determined by the Manitoba Assessment and associated municipal taxes.

5.2. Residential: Increase in portioned assessment of $50 000.00 and above will receive a reimbursement of:
- Year 1: 75% reduction
- Year 2: 50% reduction
- Year 3: 25% reduction

Commercial / Industrial: Developers will be able to receive a tax credit equivalent to 50% of municipal taxes per year for two years for constructing or expanding a commercial or industrially zoned property that increases the assessment value of the property by a minimum of $500 000.

5.3. All development must comply with building code standards and applicable by-laws

5.4. The municipality reserves the right to approve or deny eligibility to applicants or developers who have or will receive any other form of financial support, incentives, grants or refunds from any level of government or agencies thereof.

5.5. Development agreements may be required, depending on the complexity of the development. If applicable, incentives will not be granted until all aspects to the Agreement have been met.

5.6. The incentive program is available to developments that achieve the substantial completion status in 2024 or later.

5.7. Properties that have taxes or other charges outstanding are not eligible for the incentive.

6. APPLICATION

6.1. Application for the Development Incentive Tax Credit Program shall be made to the Municipality of Grassland in the form attached as *"Schedule A - Development Incentive Tax Credit Program Application Form"*, prior to the completion of construction, but no later than December 31st in the year of substantial completion, to qualify for the program.

6.2. Any applicable tax incentive will be applied once the property is added to the current assessment roll of the municipality by the Manitoba Assessment Branch and applied directly against the tax roll in each qualifying year.

6.3. All required permits, certificates, development agreements, and other authorizations must be obtained before the development project commences construction to be eligible for the program.

6.4. Commercial / Industrial businesses must remain in business for the duration of the commercial tax incentive period.

6.5. Development approved under the program will be granted by resolution of council.

6.6. In the event there is a dispute regarding eligibility for the program and / or credit amount available, the decision of the council of the Municipality of Grassland shall be final.

6.7. Before the release of any tax credit reimbursement, all outstanding taxes, utility charges, or other property related amounts owing to the Municipality must be paid.

6.8. Upon meeting all eligibility criteria, Tax Reimbursement will be paid to the property owner as shown on the latest Assessment Roll by December 31st.

7. TERMINATION OF THE PROGRAM

7.1. Property tax accounts must be in their current status both at the time of agreement execution and throughout the duration of the incentive program. Failure to keep an account current may result in discounting the agreement and full taxes being due and payable.

7.2. A tax credit provided pursuant to this by-law shall be prorated in the year following the eligible residential building being demolished or sustaining damage resulting in a reduction of assessment.

7.3. Council has the right to terminate the Development Incentive by-law Tax Credit Program. All applications that made prior to the repeal of the By-Law will receive their rebates for the remainder of the program.

7.4. In instances whereby a property under construction is transferred or sold, the tax incentives will accrue to the new owner of the said property.

7.5. Any previous agreement made with the Municipality of Grassland remain in effect until expired.

All of the attached Schedules may be amended by resolution.

DONE AND PASSED as a By-Law of The Municipality of Grassland at Hartney in the Province of Manitoba, this 8th day of October 2024.

REEVE	CHIEF ADMINISTRATIVE OFFICER

Read a first time this 19th day of September, 2024
Read a second time this 19th day of September, 2024
Read a third time this 8th day of October, 2024