

R.M. of Lumsden No. 189 Tax Incentive Policy

Tax Incentive Policy Objective

This tax incentive policy is developed in an effort to meet the spirit and intent of Council's objective to support development within the RM by recognizing the costs to developers for the construction of infrastructure for multi-lot subdivisions and the tax burden that can be incurred while they are trying to market their newly subdivided property.

This Tax Incentive Policy shall only apply to Developers of multi-lot subdivisions and shall only apply so long as the original developer owns the subdivided properties. Special consideration may be extended by council to purchasers of multiple lots for the purpose of marketing or re-sale of the subdivided lots from the original developer.

Definitions:

1st Year -means the year in which the subdivision is registered with Information Services Corporation and assessed by the Saskatchewan Assessment Management Agency, and may in fact not be a full calendar year.

2nd Year -means the year after registration of the subdivision with Information Service Corporation. The 2nd Year refers to a full calendar year from January to December.

3rd Year -means two years after the registration of the subdivision with Information Service Corporation. The 3rd Year refers to a full calendar year from January to December.

4th Year -means three years after the registration of the subdivision with Information Service Corporation. The 4th Year refers to a full calendar year from January to December.

5th Year -means four years after the registration of the subdivision with Information Service Corporation. The 5th Year refers to a full calendar year from January to December.

Developer – the owner of land that has been subdivided into multiple lots for residential or commercial/industrial purposes and who entered into a servicing agreement with the municipality for the subdivision of the land.

Commercial and Industrial Subdivision – defined as land that is within the Commercial or Industrial Zoning Districts in the Municipality's Zoning Bylaw and has been subdivided into multiple lots.

Residential Subdivision – defined as land that is within the Residential Zoning Districts in the Municipality's Zoning Bylaw and has been subdivided into multiple lots.

Tax exemption – means the tax exemption to be applied to the land that was subdivided into multiple lots for development purposes.

Special Circumstances -means the criteria and factors associated with a unique development applying for a tax exemption. Council shall consider the tax

exemption application on its own merit, on a case-by-case basis. This type of request for tax exemption shall be entirely at the discretion of Council.

Policy

Council, in its sole discretion, may provide tax relief to Developers who have developed a multiple lot subdivision under the following parameters:

Economic Development Incentives (municipal and school tax exemptions) may be provided for a maximum of a 5 (five) year period, the authority of which is provided by Section 298 of The Municipalities Act, to the developer of a multiple lot commercial/industrial subdivision with the following parameters:

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|----------------------|---|
| 1 st Year | -100% Municipal and School tax exemption |
| 2 nd Year | - 100% Municipal and School tax exemption |
| 3 rd Year | - 100% Municipal and School tax exemption |
| 4 th Year | - 50% Municipal and School tax exemption |
| 5 th Year | - 25% Municipal and School tax exemption |

Residential Development Incentives (municipal tax exemption) may be provided for a maximum of a 5 (five) year period, the authority of which is provided by Section 295 of The Municipalities Act, to the developer of a multiple lot residential subdivision with the following parameters:

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|----------------------|--------------------------------|
| 1 st Year | -100% Municipal tax exemption |
| 2 nd Year | - 100% Municipal tax exemption |
| 3 rd Year | - 100% Municipal tax exemption |
| 4 th Year | - 50% Municipal tax exemption |
| 5 th Year | - 25% Municipal tax exemption |

The above Tax Incentives are subject to the following conditions:

- a) The Developer must own or have a legal interest in the land.
- b) The incentives only applies to bare land (does not contain an improvement or development).
- c) Tax exemptions will not be granted on properties in arrears of taxes.
- d) Tax exemptions will not apply to local improvement levies
- e) Tax exemptions will not apply once the property is sold by the Developer and the title is transferred to the lot purchaser. If this title transfer occurs after the taxes are levied by the municipality, the exemption will remain in effect for that taxation year.
- f) Where tax exemptions are to be prorated from an effective date, the RM Chief Administrative Officer shall determine this date.
- g) The above are tax incentive guidelines only, and while incentives are based on this criteria, each tax exemption requires authorization by resolution or bylaw of Council to be in force.

Council may consider other exemption options for special circumstances.