



Town of Maple Creek Taxation Incentive Policy (Effective October 27, 2005)

Purpose

In order to further development of the local economy, this policy is designed to encourage new residential and commercial construction, as well as the expansion of existing commercial enterprises within the Town of Maple Creek. Furthermore, this policy is intended to provide incentives to encourage new residents to relocate, and to entice business people to choose Maple Creek as their base of operations.

A. Eligibility

As per Section 298 of the *Municipalities Act*, Council is authorized to enter into agreements to exempt any property it may wish from taxation, provided that such agreements do not exceed five years. Council is also authorized to attach any terms and conditions to such an agreement that it deems necessary or desirable. In addition, when an exemption is granted to encourage economic development, all other taxing authorities on whose behalf a municipality levies a tax must also recognize and abide by that exemption for the duration of the agreement.

In keeping with the stipulations of the *Municipalities Act*, this policy shall apply as follows:

Residential

- Only new residential construction shall be eligible.
- Incentives provided shall apply to the assessed value of the improvements only. The land on which the improvements are constructed is subject to regular taxation rates including mill rate, mill rate factor, base tax special levy or any other tax tool that Council may adopt.
- Additions to existing homes are not eligible for any tax incentives.
- Lots in the area known as the East Subdivision are already sold at greatly discounted prices. As such, new homes constructed in the East Subdivision shall not be eligible for any tax incentives outlined in this policy.

Commercial

- New commercial construction shall be eligible.
- Incentives provided shall apply to the assessed value of the improvements only. The land on which the improvements are constructed is subject to regular taxation rates including mill rate, mill rate factor, base tax, special levy or any other tax tool that Council may adopt.
- Expansion of existing commercial buildings will be considered, however, any incentives that may be granted will apply only to the amount of the increase in the assessed value that the expansion may cause.

B. Incentives

Tax incentives for the purposes of this policy shall be applied to eligible improvements as follows:

- Year 1 100% abatement of taxes on improvements
- Year 2 66% abatement of taxes on improvements
- Year 3 33% abatement of taxes on improvements
- Year 4 Normal taxation rates apply

Incentives shall be applied in the first full calendar year after construction has been completed. Taxes on improvements will not be levied in the year that construction is taking place, provided that construction does not take more than one year. If the duration of construction will take more than one year, then, at the discretion of Council, the tax abatement may be prorated in the year that construction is completed.

With respect to commercial property, for the purpose of applying this policy, construction may be considered complete at the time that business operations begin without regard for the state of the construction.

C. Exceptions

No further incentives will be considered for residential property. With respect to commercial property, however, tax incentives outlined in this policy may be considered a minimum. Council may wish to consider granting greater incentives if it were deemed advantageous to do so. Any such exception shall be at the sole discretion of the Council; however, may not exceed a period of five years.