

RURAL MUNICIPALITY OF ARMSTRONG

BY-LAW NO 4-2023

Development Tax Incentive Program

Being a by-law to encourage Economic Development in the RM of Armstrong by providing grant incentives.

WHEREAS The Municipal Act provides in part as follows:

Section 258(2): A Council may encourage Economic Development in any manner it considers appropriate, and


Section 258(4): A Council may make a grant for the purpose of Economic Development in the municipality.

THEREFORE BE IT RESOLVED the Council of the Rural Municipality of Armstrong enacts as follows:

1. THAT pursuant to subsection 258(2) and 258(4) of The Municipal Act, Council hereby approves the "Development Tax Incentive Program" attached as Schedule "A".
2. THAT By-law No. 1-2017 be repealed upon the passing of this By-Law.

DONE AND PASSED as a by-law of the Rural Municipality of Armstrong at Inwood, Manitoba, this 10th day of October, 2023.

THE RURAL MUNICIPALITY OF ARMSTRONG



Reeve



CAO

Read a first time on the 26th day of September, 2023

Read a second time on the 10th day of October, 2023

Read a third time on the 10th day of October, 2023

SCHEDULE "A" TO BY-LAW NO. 4-2023
RURAL MUNICIPALITY OF ARMSTRONG
DEVELOPMENT TAX INCENTIVE PROGRAM

The Rural Municipality of Armstrong has implemented a Development Tax Incentive for renovated or new residences and businesses within the Rural Municipality of Armstrong to encourage Economic Development. Property owners may be eligible, upon application and approval, for cash incentives over a period of one to three years. A property will not be eligible for the incentive program more than one time. Application forms must be submitted to the Municipal Office no later than the first tax year in which the new development appears on the current assessment roll.

1. Providing all criteria is met and application is approved, Development Tax Incentive Grants for renovated or new, fully constructed residences or businesses will be progressively paid as follows:

a) Residential/Dwelling

- Year One (or portion thereof) – Grant equivalent to eighty percent (80%) of the net increase of general municipal taxes (from the date of entry to the roll) to a maximum of \$5,000.00.
- Year Two – Grant equivalent to sixty percent (60%) of the net increase of general municipal taxes to a maximum of \$5,000.00.
- Year Three – Grant equivalent to forty percent (40%) of the net increase of general municipal taxes to a maximum of \$5,000.00.
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b) Commercial/Industrial

- Year One (or portion thereof) – Grant equivalent to eighty percent (80%) of the net increase of general municipal taxes (from the date of entry to the roll) to a maximum of \$5,000.00.
- Year Two – Grant equivalent to sixty percent (60%) of the net increase of general municipal taxes to a maximum of \$5,000.00.
- Year Three – Grant equivalent to forty percent (40%) of the net increase of general municipal taxes to a maximum of \$5,000.00.

2. DEFINITIONS

In this by-law,

- a. "Commercial/Industrial" means any business which would fall under the Manitoba Assessment Branch's property class of "Other".
- b. "Residential/Dwelling" means a place of residence.
- c. "Municipality" means the Rural Municipality of Armstrong

- d. "Municipal Taxes" means the property taxes imposed for municipal purposes by the municipality. This excludes Education/School Taxes when calculating the amount for the grant/rebate.
- e. "Owner(s)" means the person who is the registered owner under the Real Property Act of land on which a building is or will be located, or as otherwise a lawful representative of the owner, liable for the payment of property taxes for that property.
- f. "New, fully constructed or renovated residence or business" means any residence or business that is newly entered on the Rural Municipality of Armstrong's Assessment Roll due to addition of new home, new build, major renovations.
- g. "Period of eligibility" means the first year the new build or renovation entered the assessment roll, usually set out in a Supplementary Property Tax Bill which shows the effective date of the entry. Example: if the Supplementary Property Tax Bill is issued in 2023 for 2022 and 2023 supplementary or additional property taxes (triggered by building permit for renovation or new build), then the applicant applying for the tax incentive in 2023 would be able to apply for tax incentive for 2022 (often a partial year) and a full year for 2023. For the third year (2024) the applicant would receive the third and final incentive payment. If the same property owner however delays the application and only applies in 2024, then he/she would only be eligible for year 2 (2023) at 40 percent and year 3 (2024) at 20 percent (to a maximum of \$5,000 rebate each year).

3. CRITERIA

- a. All eligible development must be initiated by a building permit application, not be "discovered" by Assessment or the RM as an undeclared or unpermitted building or renovation.
- b. All eligible development must result in a net increase of no less than \$75,000 in the property's assessment as determined by the Manitoba Assessment Branch.
- c. The tax credit will be calculated on the increased assessment portion only. Assessment on the property prior to new construction or expansion shall not be used in the calculation of the tax credit.
- d. Property owners will receive a progressive tax credit for Commercial or a Residential building portion only. This progressive tax credit does not include renovations to or newly constructed detached accessory buildings, such as garages, sheds, outbuildings etc.
- e. Owners are not eligible if they have received any other support, incentives, grants or refunds from the Municipality.
- f. A property will not be eligible for the incentive program more than one time.
- g. If a building is deconstructed and a new structure built/placed on site, the incentive will apply only to the difference in assessment between the new structure and the deconstructed building.

- h. The development will only receive approval for a tax incentive if the property has no outstanding municipal and educational taxes.
- i. The tax incentive will be paid by the Municipality to the owner after all property taxes are paid in full, including current year municipal and school taxes, interest, and supplementary taxes (if applicable).
- j. Commercial operations that are new to the Municipality and choose to operate in formerly vacant premises must be in operation for no less than six months to be eligible for Tax Incentive.
- k. Application forms must be submitted to the Municipal Office no later than the first tax year in which the new development appears on the current assessment roll.
- l. Only the person or persons liable to pay the taxes on the property for which a grant application is made is eligible for a grant.
- m. Entitlement to the grant shall be transferable to the new property owner in the event of a sale of the property by the person who is or had been initially eligible to apply for the Development Tax Incentive Grant. The new owner must be a registered property owner on the assessment roll and may apply only for the remaining portion of the progressive tax credit.
- n. In the event, there is any dispute regarding eligibility for the program and/or grant amount available, the decision of the Council of the RM of Armstrong will be final.
- o. The registered owner or the person liable to pay the taxes on the property for which a grant application is made must not be in violation of any of the RM of Armstrong By-Laws or Development Agreements.
- p. Development Tax Incentive Grants approved prior to the passing of this By-law will be honored to their expiry and completion as set out in By-law 1-2017.

DEVELOPMENT TAX INCENTIVE PROGRAM APPLICATION
RESIDENTIAL (reference: Schedule A)
BY-LAW NO. 4-2023

DATE OF APPLICATION _____

TYPE OF NEW DEVELOPMENT _____
(Newly constructed or renovated residential dwelling)

NAME: _____

MAILING ADDRESS: _____

PHONE #: _____

LOCATION OF PROPERTY: _____

TAX ROLL # _____

Is this your principal residence? _____

In order to qualify for the grant, you MUST provide the following:
Copy of Government-issued Photo I.D.
Proof of full payment of current year's taxes including all supplementary taxes and school taxes

I _____ certify that the information and documents are true and correct.

Signature of Applicant

Signature of Applicant

Office use only:

_____	_____	_____	_____
Municipal Property Taxes Amt	Tax Year	% Rebate	Rebate Amount

Approved by Resolution No. _____

Notes: _____

Cheque issued: _____

Signature of Chief Administrative Officer _____

DEVELOPMENT TAX INCENTIVE PROGRAM APPLICATION
COMMERCIAL/INDUSTRIAL (reference: Schedule B)
BY-LAW NO. 4-2023

DATE OF APPLICATION _____

TYPE OF DEVELOPMENT _____
(Type of business operation)

Is this a newly constructed or renovated Business? _____

NAME: _____

MAILING ADDRESS: _____

PHONE #: _____

LOCATION OF PROPERTY: _____

TAX ROLL # _____

PROPERTY ASSESSMENT VALUE _____

In order to qualify for the grant, you MUST provide the following:
Copy of Government-issued Photo I.D./Companies Office Business or Company Registration
Proof of full payment of current year's taxes including all supplementary taxes and school taxes

I _____ certify that the information and documents are true and correct.

Signature of Applicant

Signature of Applicant

Office use only:

_____	_____	_____	_____
Municipal Property Taxes Amt	Tax Year	% Rebate	Rebate Amount

Approved by Resolution No. _____

Notes:

Cheque issued:

Signature of Chief Administrative Officer _____