

POLICY 2019-06

TOWN OF CROSSFIELD

VACANT & CONDEMNED RESIDENTIAL PROPERTY

TAX POLICY

Purpose

The purpose of this policy is to provide general guidelines on when to set the mill rate for Vacant and Condemned Residential Properties within the Town of Crossfield at "3 x" the mill rate charged on developed residential lands.

Policy

As attached and titled Policy Vacant & Condemned Residential Property Tax Policy.

This Policy supersedes all previous Vacant Residential Property Tax Policies including 2015-04.

Adopted this 21st day of May, 2019



Mayor Tennant



Chief Administrative Officer Kenneth Bosman

DEFINITIONS

- 1.1 ***“Assessment”***: is the process of estimating a dollar value on a property for taxation purposes. This value is used to calculate the amount of taxes that will be charged to the owner of the property.
- 1.2 ***“Chief Administrative Officer”***: shall mean a person appointed to the position by Council.
- 1.3 ***“Condemned”*** shall mean when a government entity has determined that the building/property is no longer fit to live in and officially declares the building/property unfit for use.
- 1.4 ***“Council”***: shall mean the current elected officials of the Town of Crossfield.
- 1.5 ***“Developer”*** shall mean an individual or corporation that develops lands for residential or commercial developments.
- 1.6 ***“Improved Single Family”***: Residential lands as defined under the Town of Crossfield Land Use Bylaw, with a house, or other permanent structures.
- 1.7 ***“Mill Rate”***: The amount of tax payable per dollar of the assessed value of a property. The mill rate is based on "mills"; as each mill is one-thousandth of a currency unit, one mill is equivalent to one-tenth of a cent or \$0.001
- 1.8 ***“Municipal Assessor”*** : An official who evaluates property for taxation, as contracted and/or appointed by Council;
- 1.9 ***“Residential Vacant Land”***: Residential lands as defined under the Town of Crossfield current Land Use Bylaw, with no houses, or other permanent structures.
- 1.10 ***“Taxation”*** is the process of applying a tax rate to a property’s assessed value to determine the taxes payable by the owner of that property
- 1.11 ***“Town”***: shall mean the Town of Crossfield as incorporated under the Municipal Government Act R.S.A. 2000, C M-26 as amended, its employees, or its duly authorized representatives.

2.0 BASIC POLICY

- 2.1 The policy of charging vacant residential land or condemned building/property at “3x” the mill rate charged on improved single family property is re-affirmed.
- 2.2 Parking stalls assessed as “Vacant”, shall be immediately reclassified as “Improved Single Family” for purposes of assessment, and returned to the regular residential mill rate.

3.0 EXEMPTIONS:

- 3.1 Newly registered residential properties owned by a developer shall be taxed at the regular "1x" tax rate for a period of three (3) taxation years, including the initial year in which land is assessed as "residential" following land titles registration.
- 3.2 Properties which are subsequently purchased from a developer shall be taxed at the "1x" rate for two (2) taxation years following the change of ownership. Any portion of the unused "1x" developer exemption shall *not* be added to the new two year exemption.
- 3.4 Should *any* vacant property be subject to a change of ownership, *each* new owner shall be taxed at the "1x" rate for two taxation years, effective from the date of title transfer.
- 3.5 A property which is currently developed, but upon which the existing development is demolished or removed, (provided such demolition is done subject with appropriate permits and to Town standards) shall be taxed at the "1x" rate for a period of two (2) taxation years.
- 3.6 A condemned property which has been currently deemed unfit for use, but upon which new permits and corrective work has commenced shall be taxed at the "1x" rate for a period of two (2) taxation years.
- 3.7 A vacant property that is kept in a park like state which is continuously used as one lot adjacent to an Improved Single Family property shall be taxed at the regular "1x" tax rate.

4.0 INCENTIVES:

Year One:

- 4.1 Should a vacant property, which is taxed at the "3x" rate, begin development within the first taxation year of being assessed at the "3x" rate, it shall be eligible for forgiveness of 100% of the *incremental* tax associated with being vacant upon the Building Occupancy Permit being issued.
- 4.2 Should a condemned building/property, which is taxed at the "3x" rate, begin corrective development within the first taxation year of being assessed at the "3x" rate, it shall be eligible for forgiveness of 100% of the *incremental* tax associated with being condemned upon the Building Occupancy Permit being issued and required approval from the government entity.

- 4.3 A property shall no longer be deemed "vacant" or "condemned" for taxation purposes when the official Assessor of the Town of Crossfield documents sufficient onsite development to warrant an "improvement" portion on the overall assessment

Example:

\$100,000 property x 14.50026 => \$1,450.03

"Extra" tax of \$966.68 to be forgiven if development starts within one (1) year

Year Two:

- 4.4 Should a vacant or condemned property, which is taxed at the "3x" rate, begin development in the second taxation year of being assessed at the "3x" rate, it shall be eligible for forgiveness of 75% of the *incremental* tax associated with being vacant or condemned from year two upon the Building Occupancy Permit being issued.

Example

Year 2: \$105,000 property * 14.065 => \$1,476.83

"Extra" tax of \$984.55 x 75% => \$738.41 forgiven

"Extra" tax of \$738.41 to be forgiven if development starts within two (2) years.

5.0 METHOD OF RECEIVING TAX FORGIVENESS

- 5.1 For the 2015 Taxation year, each owner of a vacant residential property shall not be charged penalties on the incremental tax increase until December 31, 2015, provided they are in good tax standing.
- 5.2 For the 2015 Taxation year, each owner of a vacant property shall receive via registered mail, and immediately upon adoption of this policy by Council and included with their tax notice in subsequent years, a notice explaining the tax policy, and an application form for tax forgiveness as set out in schedule "A" of the policy.
- 5.3 For the 2019 Taxation year, each owner of a condemned residential property shall not be charged penalties on the on the incremental tax increase until December 31, 2019, provided they are in good tax standing.
- 5.4 For the 2019 Taxation year, each owner of a condemned property shall receive via registered mail, and immediately upon adoption of this policy by Council and included with their tax notice in subsequent years, a notice explaining the tax policy, and an application form for tax forgiveness as set out in schedule "A" of the policy.
- 5.3 An owner who completes the tax forgiveness form, and returns it to the Town and who is confirmed to be eligible by Administration, and upon Council's review and approval of the application, the applicant shall receive a letter and a credit to their tax account or a refund will be submitted to the applicant within 30 days of Council's decision.



**Town of Crossfield Application Form
Tax Forgiveness on Vacant & Condemned
Residential Lands**

Date of Application: _____ Tax Roll: _____

Request for Tax Rebate for Taxation Year: _____ (Year 1= 100% Year 2 = 75%)

Civic Address: _____

Registered Land Owner Name: _____

Mailing Address: _____

Phone No.: _____

Email Address: _____

Reason for Tax Rebate Request: (New Building Permit, Demolition)

FOR OFFICE USE

Confirmation of development commencement by Town Assessor? YES / NO

Date Presented to Council: _____

Council Decision:

Tax Refund mailed to applicant on: _____