

**TOWN OF LEGAL  
BYLAW #01-2025**

**BEING A BYLAW OF THE TOWN OF LEGAL, IN THE PROVINCE OF ALBERTA, FOR THE PURPOSE OF PROVIDING A PROPERTY TAX INCENTIVE FOR NEW RESIDENTIAL DEVELOPMENT, REVITALIZATION OF DERELICT PROPERTIES AND/OR BUILDING ON UNOCCUPIED OR BARE LOTS.**

**WHEREAS** the *Municipal Government Act, R.S.A. 2000, c. M-26*, as amended or repealed and replaced from time to time, permits a Council to cancel, reduce, refund or defer taxes as it considers equitable to do so, or phase in increases or decreases from the preparation of a new assessment;

**AND WHEREAS** pursuant to the *Municipal Government Act, R.S.A. 2000, c. M-26*, as amended or repealed and replaced from time to time, the Council of the Town of Legal deems it equitable to provide for a Bylaw for the purpose of implementing the "Residential Tax Incentive Bylaw";

**NOW THEREFORE** under the authority of the *Municipal Government Act R.S.A. 2000, c. M-26*, the Council of the Town of Legal in the Province of Alberta, duly assembled enacts as follows:

1.0 TITLE

1.1 This Bylaw may be cited as the "Residential Tax Incentive Bylaw".

2.0 PURPOSE

2.1 The purpose of this Residential Tax Incentive Bylaw is to allow tax incentive for exemptions from taxation under the *Municipal Government Act R.S.A. 2000, c. M-26* for qualifying properties in the Town of Legal that meet the requirements of the Residential Tax Incentive Program.

3.0 DEFINITIONS

- 2.1 "ACT" means the *Municipal Government Act, R.S.A. 2000, c. M-26*, as amended or repealed and replaced from time to time;
- 2.2 "ADMINISTRATION" means any employee or representative of the staff of the Town of Legal. May also be referred to as Administrative Staff. Elected Officials are not considered employees;
- 2.3 "APPLICANT" means the person who applies for an Exemption as the landowner or their Agent as authorized by the landowner through an agent authorization or director's resolution;
- 2.4 "ASSESSMENT VALUE" means the dollar value assigned to a property to apply applicable property taxes;
- 2.5 "BYLAW" means the Residential Tax Incentive Bylaw by the Municipality;
- 2.6 "CALENDAR YEAR" means the period of twelve (12) consecutive months from January 1 to December 31;
- 2.7 "CHIEF ADMINSTRATIVE OFFICER" means the Chief Administrative Officer for the Town of Legal;
- 2.8 "COUNCIL" means the Municipal Council of The Town of Legal;
- 2.9 "DEVELOPMENT" means development as defined in the Town of Legal Land Use Bylaw as amended from time to time;
- 2.10 "EXEMPTION" means the exemption of the municipal portion of taxes, not including any provincial or other applied taxes;
- 2.11 "INCENTIVE PERIOD" means the time period the property has received approval for, according to the Residential Tax Incentive Agreement;
- 2.12 "MUNICIPAL RATE" means the mill rate applied to the Assessment Value to calculate the portion of property taxes collected for operating the Town;
- 2.13 "MUNICIPALITY" means the Town of Legal;
- 2.14 "NEW ASSESSMENT" means the additional improvement assessment for the construction of the Residence that is the subject of the Residential Tax Incentive program;
- 2.15 "NEW BUILD" means the construction of a new house built specifically for the purchaser that has not been previously lived in;
- 2.16 "OWNER" means the person who is registered under the Land Titles Act, RSA 2000 c. L-4, as amended or replaced from time to time, as the Owner of the fee simple estate in land, or a Person who is recorded as the Owner of the property on the tax assessment roll of the Town;

- 2.17 "PRINCIPAL BUILDING" means a building which:
  - (a) occupies the major or central portion of a site;
  - (b) is the chief or main building among one or more buildings on the site, or
  - (c) constitutes by reason of its use the primary purpose for which the site is used.
- 2.18 "RESIDENCE" means any detached single-family dwelling or residence, duplex, or Multi-Family Complex designed for individual family living;
- 2.19 "RESIDENTIAL PROPERTY" means property zoned for living or dwellings;
- 2.20 "RESIDENTIAL TAX INCENTIVE AGREEMENT" means a written agreement for a full or partial exemption and/or deferral from the taxation for the residential property;
- 2.21 "REVITALIZATION" means completed demolition and reconstruction of principal buildings;
- 2.22 "TAX RATE BYLAW" means the bylaw setting the annual tax rates to be collected by the Town for the year;
- 2.23 "UNCONDITIONAL FINAL INSPECTION REPORT" means an inspection report completed by an accredited safety codes officer, indicating the construction is complete and there are no outstanding deficiencies.

#### 4.0 RESIDENTIAL TAX INCENTIVE PROGRAM

- 3.1 This incentive is applicable to new construction of residential properties, the revitalization of properties that are considered derelict or in a state of disrepair, and/or residential building on vacant or bare land. This will be calculated by the increase in assessed value of the property. Subject to Council's discretion and authority, qualifying properties may receive an Exemption of the municipal portion of their taxes for a period of up to four (4) years from date of occupancy being granted for the property. This incentive is only for the municipal portion of the taxes. Other taxes, including but not limited to, Provincial Education Tax Requisition and senior's taxes are not included in the incentive.
  - 3.1.1 In the case of a demolition, an Incentive equal to the municipal tax portion only of that tax applied to the new principal building assessment will be applied.
  - 3.1.2 In the case of the construction of a building of equal status to that demolished (ie. In the case where a single-family dwelling is demolished and is replaced by a duplex or larger residential building), the Incentive would be an amount equal to the average municipal tax of a single-family dwelling. This amount would be as determined by the Town of Legal.
- 3.2 Credits will be applied as follows:
  - 3.2.1 Year 1: 100% reduction of Municipal Taxes on the New Assessment during the calendar year the unconditional final Site Inspection Report is received for the construction from the Town's contracted building safety codes officer;
  - 3.2.2 Year 2: 75% reduction of Municipal Taxes on the New Assessment during the first calendar year following the calendar year that the unconditional final Site Inspection Report is received;
  - 3.2.3 Year 3: 50% reduction of Municipal Taxes on the New Assessment during the second calendar year following the calendar year that the unconditional final Site Inspection Report is received;
  - 3.2.4 Year 4: 25% reduction of Municipal Taxes on the New Assessment during the third calendar year following the calendar year that the unconditional final Site Inspection Report is received.
- 3.3 Further to Section 3.2, if the unconditional final Site Inspection Report is not received within one year from the date the development permit for the construction is issued, then the entirety of the Residential Tax Incentive Program will be void.
- 3.4 Credits will be applied annually, following the Tax Rate Bylaw being passed by Council.
- 3.5 Credits are applied to the Municipal Tax Rate only.

- 3.6 Credits will be applied directly to the Municipal Tax Roll and will not be paid out.
- 3.7 Further to Section 3.1, in an effort to support residential development, developers, and prospective homeowners, the Town of Legal will reimburse the following fees, in accordance with the Town of Legal's bylaws and policies:
  - 3.7.1 Residential Development Permit Fees; and
  - 3.7.2 Town of Legal's 25% portion of Residential Building Permit Fees.
  - 3.7.3 Deferral of Off-Site Levies will be reviewed on a case-by-case basis.
  - 3.7.4 Reimbursement will occur upon receipt of the Unconditional Final Site Inspection Report, or Permit Service Report is issued for all safety codes disciplines
- 3.8 Administration will provide an update of the Residential Tax Incentive Program to Council on a regular basis.

## 5.0 TIMELINE

- 4.1 Applications for the Residential Tax Incentive Program and the corresponding development permit must be received prior to construction commencement and no later than April 1<sup>st</sup> of the tax year in which the credit shall be applied.
- 4.2 Credits shall be approved by a resolution of Council no later than May 31<sup>st</sup> in each year.
  - 4.2.1 The decision of Council shall be final and binding upon all parties.
- 4.3 The credit shall be applied to the property tax account prior to the tax notices being sent out.

## 6.0 CRITERIA FOR ELIGIBILITY

- 6.1 To qualify for the Residential Tax Incentive, an application must meet all the following criteria:
  - 6.1.1 The properties must be located within the geographical boundary of the Town of Legal.
  - 6.1.2 The Applicant must have no outstanding monies owing to the Town including:
    - 6.1.2.1 Property tax account associated with the property must be paid in full when the tax incentive application is submitted. The property tax account must remain current during the tax exemption period.
    - 6.1.2.2 Utilities associated with the property, if applicable, must be paid in full when the tax incentive application is submitted.
  - 6.1.3 The Applicant must be registered on the title when the tax incentive application is submitted. If using an Agent or Developer, Applicant must submit a Property Owner Consent form with the application.
  - 6.1.4 During the Incentive Period, all property and other taxes levied on the eligible property are to be kept current. The Residential Tax Incentive Agreement ceases upon the property with taxes on the property going into arrears, or utilities on the property going into arrears.
  - 6.1.5 The Application must be received before a development permit is issued for the property.
    - 6.1.5.1 The incentive will not be applied retroactively for projects which have already received a development permit. This includes permits that have been cancelled, lapsed and reapplied for in an effort to receive an incentive.
  - 6.1.6 The incentive can be applied to a single unit or multiple units on a single property, as described in Schedule "A" and Schedule "B" attached to this Bylaw or the revitalization of a property as described in Schedule "C" attached to this Bylaw.
  - 6.1.7 The incentive does not apply to secondary suites, either internal or external.
  - 6.1.8 All required municipal, provincial and/or federal permits must be in place.

6.1.9 The new residence must be in full compliance with the Land Use Bylaw as well as any statutory plan, zoning, subdivision plan, approval and conditions, Development Agreement, Safety Codes Act, Alberta Building Code, Alberta Fire Code, and permits. Failure to submit all requested documents evidencing compliance by the Applicant shall result in the forfeiture of the Incentive.

6.1.9.1 Other required documents include:

6.1.9.1.1 Copy of the Title; and

6.1.9.1.2 Unconditional final Site Inspection Report.

6.1.10 If the property is sold during the Incentive Period, the approved Residential Tax Agreement will be automatically transferred to the new registered owner.

6.1.11 The incentive is only applied to residential properties only.

6.1.11.1 If the property has a residential and commercial split, this incentive is applied only to the assessment value associated to the residential portion.

6.1.12 All utility servicing costs are the responsibility of the developer.

6.1.13 Developer(s) must have a Town of Legal Business License.

## 7.0 APPLICATION

7.1 To apply for a Residential Tax Incentive, Applicants shall provide a completed application form to the Town with all supporting documentation.

7.2 Applications prior to the enactment of this Bylaw will not be considered for the Residential Tax Incentive.

7.3 Complete applications may be considered and approved in accordance with the criteria of the Residential Tax Incentive before construction on the qualifying property is complete. However, the Exemption will not apply until all construction on the property is complete, all conditions of the Development Permit have been met, permit service reports have been issued for all Safety Codes Permits and the development is inspected and approved for occupancy by a licensed building inspector.

7.4 Council has the discretion to reject applications and Administration will advise Applicants in writing if their application is rejected.

7.5 Applicants whose applications are returned as incomplete or illegible may resubmit their application.

7.6 Administration will advise Applicants in writing if their application is accepted for consideration by Council. Applications that are accepted for consideration shall become the property of the Town and shall not be returned.

7.7 Council will review applications within ninety (90) days of receipt.

7.8 Notwithstanding the application requirements set out in this Bylaw, the Chief Administrative Officer or their designate may request any additional information that, at the discretion of the Chief Administrative Officer, is necessary to complete the application.

## 8.0 CONSIDERATION OF APPLICATION

8.1 Council will consider each application in accordance with this Bylaw to determine if they meet the criteria and requirements for an Exemption, and:

8.1.1 Grant the Exemption and enter into a Residential Tax Incentive Agreement; or

8.1.2 Reject the application and advise the Applicant with the written reasons as to why, including means to appeal to Council.

8.2 Council shall be authorized to enter into a Residential Tax Incentive Agreement with the Applicant if the Exemption is granted. The Residential Tax Incentive Agreement must include:

- 8.2.1 The years to which the Exemption applies; and
- 8.2.2 The details of the Residential Tax Incentive.

## 9.0 RESIDENTIAL TAX INCENTIVE AGREEMENT

- 9.1 Administration shall draft a Residential Tax Incentive Agreement. The Agreement must outline:
  - 9.1.1 The taxation years to which the Residential Tax Incentive applies, which must not include any taxation year earlier than the taxation year in which the Exemption is granted.
  - 9.1.2 If an Exemption is granted, the extent of the Exemption for each taxation year which the Exemption applies.
  - 9.1.3 Any criteria in Section 6 of this Bylaw which formed the basis of granting the Residential Tax Incentive and the taxation years to which the criteria apply, all of which may be deemed a condition or conditions of the Residential Tax Incentive Agreement, a breach of which will result in the cancellation of the Exemption for the taxation years to which the criteria apply.
  - 9.1.4 Any other conditions and the taxation years to which the condition applies.
- 9.2 The Residential Tax Incentive Agreements shall be signed by the Mayor and Chief Administrative Officer.

## 10.0 CANCELLATION

- 10.1 The Residential Tax Incentive Agreement may be cancelled if:
  - 10.1.1 The Applicant did not meet or ceased to meet any of the applicable criteria in Section 6 of this Agreement which formed the basis of granting the Residential Tax Incentive; or
  - 10.1.2 There was a breach of any condition of the Residential Tax Incentive Agreement, the Town may cancel the Agreement for the taxation year or years in which the criteria were not met or to which the condition applies.
- 10.2 Administration shall send a notice of cancellation in writing to an Applicant whose Residential Tax Incentive was cancelled stating the reasons for the cancellation.

## 11.0 DISPUTE

- 11.1 Any dispute regarding the calculation of the Residential Tax Incentive, the Residential Tax Incentive Agreement or any entitlement under this Bylaw shall be referred to Council for resolution.
- 11.2 An Applicant may appeal to Council by submitting a written request for appeal to the Chief Administrative Officer within thirty (30) days of initial dispute.
  - 11.2.1 Council, after considering the appeal, may direct the Chief Administrative Officer to revise or amend the decision with respect to the matter.
- 11.3 The decision of Council shall be final and binding upon all parties except in the case where the decision is subject to an application for judicial review.

## 12.0 REVIEW

- 12.1 This Bylaw shall be reviewed annually at the first regularly scheduled Council meeting of June.

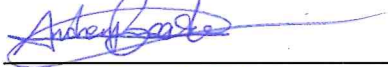
## 13.0 SEVERABILITY

- 13.1 Should any provision of this Bylaw be invalid then such provision shall be severed, and the remaining Bylaw shall be maintained.

## 14.0 GENERAL

14.1 This Bylaw shall come into full force and effect on the day of third and final reading and will expire in three (3) years from date of signing.

Read a first time this 3 day of March, 2025.

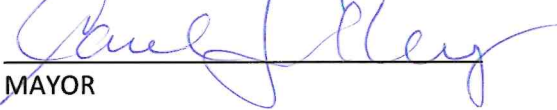


MAYOR DEPUTY



CHIEF ADMINISTRATIVE OFFICER

Read a second time this 17 day of March, 2025

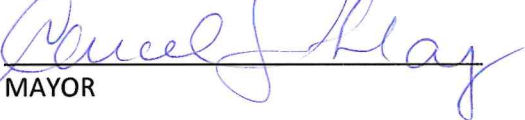


MAYOR



CHIEF ADMINISTRATIVE OFFICER

Read a third and final time this 17 day of March, 2025



MAYOR



CHIEF ADMINISTRATIVE OFFICER

SCHEDULE "A"  
SINGLE FAMILY DEVELOPMENTS

1.0 ADDITIONAL CRITERIA FOR EXEMPTION FOR SINGLE FAMILY DEVELOPMENTS

- 1.1 Single family homes must be located in an R-1 Residential District or an R-2 (Medium Density Residential District) to qualify for the program.
- 1.2 All district and property classifications are subject to the Land Use Bylaw, which may be amended from time to time. The current Land Use Bylaw in effect at the time of Application will be used to determine eligibility.

2.0 PROGRAM LIMITS

- 2.1 Council may, at any time, decide up on a limit to each Schedule in the program to a specific quantity of properties. If it is decided that one Schedule is fully subscribed, the other Schedules may still be active. Each Schedule can be decided upon separately.

SCHEDULE "B"  
MULTI-FAMILY DEVELOPMENTS

3.0 ADDITIONAL CRITERIA FOR EXEMPTION FOR MULTI-FAMILY DEVELOPMENTS

- 3.1 Semi-detached dwellings, duplex dwellings must be located in an R2 (Medium Density Residential District) and row house dwellings must be located in an R3 (High Density Residential District) to qualify for the program.
- 3.2 Apartments must be located in an R3 (High Density Residential District) to qualify for the program.
- 3.3 Mixed use developments must be located in a C1 (Downtown Commercial District) to qualify for the program. Some other zones may qualify, please check with the Development Officer of the Town of Legal.
- 3.4 For mixed-use developments, only the residential portion of the property will qualify for this program.
- 3.5 All district and property classifications are subject to the Land Use Bylaw, which may be amended from time to time. The current Land Use Bylaw in effect at the time of Application will be used to determine eligibility.

4.0 PROGRAM LIMITS

- 4.1 Council may, at any time, decide up on a limit to each Schedule in the program to a specific quantity of properties. If it is decided that one Schedule is fully subscribed, the other Schedules may still be active. Each Schedule can be decided upon separately.



SCHEDULE "C"  
PROPERTY REVITALIZATION

1.0 ADDITIONAL CRITERIA FOR EXEMPTION FOR PROPERTY REVITALIZATION

- 1.1 Property Revitalization developments must be located in an R1 Residential District, R2 (Medium Density Residential District), an R3 (High Density Residential District) or in the case of a mixed-use development a C1 (Downtown Commercial District).
- 1.2 For mixed-use developments, only the residential portion of the property will qualify for this program.
- 1.3 All district and property classifications are subject to the Land Use Bylaw, which may be amended from time to time. The current Land Use Bylaw in effect at the time of Application will be used to determine eligibility.
- 1.4 Property Revitalization:
  - 1.4.1 applies to the principal building on the property only;
  - 1.4.2 applies to the complete demolition and reconstruction of the principal building; and
  - 1.4.3 does not apply to vacant properties or bare land.
- 1.5 A qualifying demolition is considered to occur only in those cases where a principal building that has become dilapidated through age or disrepair is demolished and a new principal building is constructed in its place.
  - 1.5.1 Buildings that are demolished as a result of damage caused by fire, windstorm, vehicle collision or other catastrophic events do not qualify as a demolition.
- 1.6 Construction must start within ninety (90) days of the date of application for a demolition permit in order to qualify for the Exemption.
- 1.7 Construction must be complete to the point of suitability for occupancy within six (6) months of the date of the start of construction. This time period may be extended in the case of a multi-family or mixed-use development. If this requirement is not met then the applicant will lose the tax exemption for the first year of the program. For each year that the project remains incomplete after the original completion deadline, the corresponding yearly exemption will be lost.
- 1.8 For the purpose of administering this program, the Development Officer has full authority in determining the date of demolition, start of construction and completion of construction.

2.0 PROGRAM LIMITS

- 2.1 Council may, at any time, decide up on a limit to each Schedule in the program to a specific quantity of properties. If it is decided that one Schedule is fully subscribed, the other Schedules may still be active. Each Schedule can be decided upon separately.

Schedule "D"  
Water, Sanitary and Storm Service Connection

To incentivize and encourage the redevelopment of existing parcels and of older properties in mature neighbourhoods, the Town shall bear the cost of replacement of an existing service connection(s) where the following criteria are met:

1. The existing and proposed service connection meets the definition of a "Water or Wastewater Service Connection" as defined in the Town of Legal Water Bylaw and Wastewater Bylaw.
2. The existing service was deemed unsuitable for reuse by the Town due to:
  - 2.1 The condition of the existing service connection(s) as determined by a camera inspection and/or;
  - 2.2 Municipal records/work orders relating to the existing service connection(s) for the property indicating a history of three (3) or more service calls within a twenty-four (24) month period and/or;
  - 2.3 The existing service connection is constructed with clay tile pipe or similar material which is, in the sole opinion of the Town, prone to failure and/or;
  - 2.4 The existing service connection(s) do not meet the current Town of Legal Engineering Standards for a Water or Wastewater Service Connection.
3. The Owner or Agent holds a valid Development Permit and Building Permit from the Town for the proposed redevelopment of the parcel.
4. The Owner has provided the Town with a servicing plan to ensure that the new service connection(s) meet the design requirements of the proposed development.

Where the Town replaces a service connection(s) in accordance with the above, the following shall apply:

1. The Town shall, at its sole cost, replace the service connection(s) up to the property line of the parcel.
2. The Owner, at their sole cost, shall be required to replace the portion of the connection(s) between the property line and the principal building.
3. All fees are in accordance with the Town of Legal bylaws and policies.