

City of Salmon Arm

Industrial Revitalization Tax Exemption

1. Program Summary

- a) The Official Community Plan for the City of Salmon Arm identifies the revitalization of the “Industrial” zones as a priority. As a result of this, the City of Salmon Arm has now established an Industrial Revitalization Tax Exemption Program pursuant to Bylaw No. 4020 cited as the City of Salmon Arm Industrial Revitalization Tax Exemption Bylaw.
- b) The City of Salmon Arm may now enter into an agreement with property owners within the designated area (maps attached) and upon issuance of a Revitalization Tax Exemption Certificate to the BC Assessment Authority; those improvements are exempt from general municipal property taxes (excludes other property taxes such as School, Regional District, Regional Hospital, specified area levies, parcel/frontage taxes, etc.) for a period of time not longer than five (5) years and with a single five (5) year renewal period.
- c) The Revitalization Tax Exemption program will have an expiration date of May 12, 2024.

2. Terms and Conditions

- a) Revitalization Tax Exemptions will only apply if there is construction of a new improvement or an alteration of an existing improvement resulting from a building permit with a value in excess of \$300,000.00 as determined by the City of Salmon Arm.
- b) The applicant must submit a Revitalization Tax Exemption application prior to undertaking the construction of a new improvement or the alteration of an existing improvement. Any work done prior to the application for a Revitalization Tax Exemption will not be eligible for consideration.
- c) The BC Assessment Authority will determine the assessed value of the new construction or alteration of an existing improvement which will also determine the value of the Revitalization Tax Exemption. The value of new construction or the alteration of the existing improvement as reflected in the building permit may not necessarily reflect the value assessed for a Revitalization Tax Exemption by the BC Assessment Authority. For example, if the building permit value is \$300,000.00 and the assessed value is determined to be less than \$300,000.00 then the Revitalization Tax Exemption will also be less than the \$300,000.00 and will be as determined by the BC Assessment Authority.
- d) The maximum Revitalization Tax Exemption under this Bylaw must not exceed the increase in the assessed value of the improvement on the property in the calendar year before the new construction or the alteration of an existing improvement began; and the calendar year in which the new construction or alteration of an existing improvement is completed.

- e) The Revitalization Tax Exemption only applies to general municipal property taxes and not to other property taxes such as School, Regional District, Regional Hospital District, specified area levies, and parcel/frontage taxes, etc.
- f) If the property changes assessment classifications, the new classifications will determine the general municipal tax rate that will apply.
- g) General municipal tax rate increases will still apply to the non-exempted assessment.
- h) The property assessment will not be reduced below the amount of the property assessment in the year prior to the new construction or alteration to an existing improvement as a result of the Revitalization Tax Exemption.
- i) To receive a Revitalization Tax Exemption an applicant must complete an application (attached) and meet all requirements before October 31 in the year prior to the year in which the Revitalization Tax Exemption is requested. To apply for a Revitalization Tax Exemption the following must be submitted:
 - i. a certificate confirming that all taxes assessed and rates, charges and fees imposed on the property have been paid in full;
 - ii. a completed written application;
 - iii. a description of the new construction or the alteration of an existing improvement that would be eligible under the Bylaw for a Revitalization Tax Exemption;
 - iv. an examination fee in the amount of \$100.00; and
 - v. a copy of the Agreement duly executed by and on behalf of the Owner.
- j) Revitalization Tax Exemption Certificates will be issued for either the initial five (5) year period or a one (1) year interim period during the year of construction or alteration of an existing improvement with a second Revitalization Tax Exemption Certificate being issued for a further four (4) year period.
- k) A single renewal option is available for a term not longer than five (5) years. During the renewal period the Revitalization Tax Exemption will be phased out bringing the property to a fully taxable position.
- l) The Revitalization Tax Exemption Program continues to apply if ownership changes during the term of the agreement.
- m) A Revitalization Tax Exemption will be cancelled if:
 - i. the "Industrial" zoning is changed;
 - ii. the Owner breaches any covenant or condition of the Bylaw or the Agreement;
 - iii. the Owner has allowed the property to go into arrears or to become delinquent;
or
 - iv. the property is put to a use that is not permitted in the "Industrial" zone.

3. Tax Savings

- a) The annual estimated general municipal property tax per each \$100,000.00 of assessed value attributed to the new construction or alteration of an existing improvement is as follows (based on 2019 tax rates):

i. Class 5 – Light Industry	\$1,110.80
ii. Class 6 – Business	\$1,110.80

4. Other

- a) This summary is only provided for informational purposes. For complete details refer to Bylaw No. 4020 cited as the City of Salmon Arm Industrial Revitalization Tax Exemption Bylaw.