



Taxation of vacant lands

Authority: Council

Effective Date: January 1, 2023

Date Approved by Council: September 28, 2020

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Future Review Date: 2027

Last Review/Revision: NEW

Responsibility: Financial Services

References: *Municipal Government Act* Section 297

Land Use Bylaw

Commercial, Industrial and Multi-Unit Residential Infill Policy C-CAO-023

Replaces: No Prior Policy

1.0 Purpose: To establish policy for the taxation of vacant residential and vacant non-residential lands which remain undeveloped for seven years.

2.0 Scope: This policy will apply to all vacant lands within the Town of Stony Plain.

3.0 Definitions:

Assessor: any of the accredited assessment personnel employed or hired by the Town of Stony Plain.

Assessment Class: refers to a property's classification for assessment purposes, as determined and used by the Assessor in preparation of the annual Assessment Roll.

Physical Condition Date: the statutory date prescribed within the Municipal Government Act for use by the Assessor in determining what buildings and/or improvements existed on a property as of December 31st of each calendar year.

Vacant: refers to any property which the Assessor has deemed to be undeveloped and not having any notable physical construction on site, as of a given statutory date.

Year of Subdivision: the year in which a property was subdivided and registered at Land Titles Office. Year of subdivision is commonly denoted by the property's legal description, which shows "plan number" i.e. Plan number 072 1344 denotes a property was created by subdivision in 2007.

4.0 Statement: The Town of Stony Plain will encourage development of vacant lands through the use of a higher rate of municipal property taxation on those lands which have remained vacant for seven years.

5.0 Roles and Responsibilities:

5.1 Town Council

- 5.1.1 Is responsible for the annual approval of the “Vacant Lands Tax Rate” which will appear within the annual Tax Rate Bylaw.
- 5.1.2 Is responsible for the approval of the bylaw as required under MGA section 297(2)(a) for the creation of an assessment sub-class, which facilitates the taxation of that sub-class at a higher rate of taxation.

5.2 Assessor

- 5.2.1 Is responsible for the annual determination of which vacant properties will be subject to the “Vacant Lands Tax Rate”. Discretion resides with the Assessor to review, inspect, and determine which vacant lands meet the criteria as outlined in this policy, and to assess and tax those properties accordingly.

6 Standards:

General

- 6.1 Lands which have physically existed, as defined by their “Year of Subdivision”, for less than seven years, and have remained vacant during that time period, are subject to the regular municipal tax rate, and are unaffected by this policy.
- 6.2 Lands which have physically existed, as defined by their “Year of Subdivision”, for seven years or longer, and have remained vacant during that time period are subject to the “Vacant Lands Tax Rate”.

Applicable Properties

- 6.3 Only those properties which meet each of the following three (3) criteria will be subject to the “Vacant Lands Tax Rate”:
 - 6.3.1 Properties having one of the following land use classifications (zonings):
 - R1 – Large Lot Detached Dwelling Residential District
 - R2 - Detached Dwelling Residential District
 - R3 -Manufactured Home Residential District
 - R4 – Mixed Form Residential District
 - R5 – Small Lot Mixed-Form Residential District
 - R6 – Comprehensively Planned Residential District
 - R7 – Multi-Unit Building Residential District
 - R8 – High Density Residential District
 - C1 – Local Commercial District
 - C2 – General Commercial District

- C3 – Central Mixed Use District
- M1 – Business Industrial District

6.3.2 Properties described by either of the following circumstances:

6.3.2.1 Properties which have remained vacant for a period of seven (7) years or greater since their time of final subdivision. The following schedule will apply:

Tax Year	Physical Condition Date	Year of Subdivision for use of Vacant Lands Tax Rate
2021	December 31, 2020	2013 or earlier
2022	December 31, 2021	2014 or earlier
2023	December 31, 2022	2015 or earlier
2024	December 31, 2023	2016 or earlier

Example 1: A vacant R1-zoned lot remains vacant as of December 31, 2020 as confirmed by the Assessor. If its year of subdivision is 2013 or earlier, then it has chronologically remained vacant for seven or more years. Therefore it is subject to the “Vacant Lands Tax Rate” for the 2021 tax year and all subsequent tax years until such time as the lot begins development.

Example 2: A vacant R1-zoned lot remains vacant as of December 31, 2020 as confirmed by the Assessor. Its year of subdivision is 2014. It has chronologically remained vacant for six years. Therefore it is not subject to the “Vacant Lands Tax Rate” until the 2022 tax year.

6.3.2.2 Properties which were formerly improved, but have had the improvements demolished and have remained vacant for a period of seven (7) years or greater since their time of demolition. In cases where properties become vacant as a result of demolition, the start date for counting years of vacant status will commence at December 31st of the year of demolition.

Example: A property has physically existed since 1962. The house on site was built in 1963 and demolished in 2014. 2014 becomes the start date of the vacant status period, not the year of subdivision; 1962.

6.3.3 Properties which are considered to be fully serviced and developable. In situations where servicing and/or developability are in question, discretion is given to the Manager of Finance or designate as to which Assessment Class the property will fall into, and if the “Vacant Lands Tax Rate” should apply.

Excluded Properties

6.4 The following properties exhibiting any of the criteria below are intended to be excluded from this policy:

- a) Properties whereby the property owner holds title to an adjacent improved property, and whereby the vacant lot in question has been integrated into the enjoyment and/or use of the primary improved property. Typically these properties are landscaped, treed, and fenced and are contiguous with the adjacent lot where the primary residence or business is located.
- b) Properties that are classified by the Assessor as “class 3 - farm land” as per MGA section 297(c). As per MGA section 297(2) and 297(2.1), only those properties classified as residential or non-residential (as opposed to farm land) can be contained within a sub-class for the purposes of applying a different tax rate.
- c) For clarity, properties that have the following land use are not subject to this policy:
 - P1 – Parks District
 - P2 – Community Services District
 - P3 – Utility District
 - FD – Future Development District

Applicable Municipal Tax

6.5 The tax rate for general municipal purposes (excluding the Tri Leisure Centre levy) shall be set at a ratio of 1.25 as compared to the general municipal tax rate. The following general formula shall apply to both residential and non-residential properties:

- a) Residential Vacant Lands Tax Rate = Residential Municipal Tax Rate x 1.25
- b) Non-residential Vacant Lands Tax Rate = Non-residential Municipal Tax Rate x 1.25
- c) The Vacant Lands Tax Rate applies only to the land portion of the assessment. By the nature of this policy, no buildings and/or improvements can ever be taxed at the higher rate.

Determination of Vacant Status

6.6 For the purposes of this policy, the following criteria will be used by the Assessor to determine the “Assessment Classification” for the application of this policy:

- a) The legislated “Physical Condition Date” of December 31, shall be used as the date by which the Assessor annually determines the property’s status for assessment and tax purposes.

b) In any instance where a property owner disputes their vacant status (their assessment classification) the remedy will be for the property owner to contact the Assessor, and if the dispute is not resolved, the recourse available to the property owner is the Property Assessment Appeal process.

Reversion to Regular Tax Rate

6.7 A property which is taxed at the “Vacant Lands Tax Rate” will revert back to the regular municipal tax rate under the following scenario:

- a) Physical construction has commenced on or before December 31st of the tax year in question. Discretion remains with Assessor as to the confirmation of construction activity. The tax rate reversion will be enacted during the current tax year, by way of an assessment correction, and the Assessor will prorate the tax calculation to the nearest 1st of the month when construction was visibly evident.

6.8 A property which is taxed at the “Vacant Lands Tax Rate” will not revert back to the regular municipal tax rate under the following scenarios:

- a) The property owner has been issued a development permit by the Town in respect of the property on or before December 31st of the assessment year in question.
- b) The property owner has been issued a building permit by the Town in respect of the property on or before December 31st of the assessment year in question. However, issuance of a building permit will inform the Assessor that construction is imminent, and in most cases, scenario 6.7 a) above will occur within a short period after the building permit is issued.
- c) The property is sold and title is transferred to a new owner. Change in ownership does not affect the vacant status provisions as referred to in section 6.3 above.
- d) The property is subdivided, consolidated, amended, or legally altered in a manner that at the discretion of the Manager of Finance or designate, has not materially changed the nature of the property, nor the vacant status of the lot.

Example 1: A property owner adds five feet of width to their vacant lot via lot consolidation, and the amended lot is registered at Land Titles and given a new legal description with a new plan number.

Example 2: An existing R1 lot has remained vacant for ten years. The property owner then subdivides the existing 1,000 m² R1 lot into two 500m² R2 lots. For the purposes of this policy, the vacant status does not “reset” because of the lot subdivision or change in land use.

6.0 Policy Review: This Council policy shall be reviewed by Administration within four years of being implemented, with any changes being submitted to Council for approval.