

BYLAW NO. 1508-26

A BYLAW OF THE TOWN OF THREE HILLS IN THE PROVINCE OF ALBERTA FOR THE PURPOSE OF IMPLEMENTING A COMMERCIAL AND INDUSTRIAL MUNICIPAL TAX INCENTIVE BYLAW.

WHEREAS, pursuant to the provisions of Section 364.2(2) of the Municipal Government Act, RSA 2000, c. M-26 (the “*Act*”), and amendments thereto, Council may, by bylaw, for the purpose of encouraging New Construction of properties, permit municipalities to offer multi-year tax Exemptions, partial Exemptions, or deferrals;

AND WHEREAS the Council of the Town of Three Hills has deemed it desirable to provide an Exemption to grow its property tax base and to enact a bylaw for the purpose of implementing a Commercial and Industrial Municipal Tax Incentive program;

NOW THEREFORE the Council of the Town of Three Hills, in the Province of Alberta, duly assembled, hereby enacts as follows:

TITLE & DEFINITIONS

1. That this Bylaw be referred to as the Commercial and Industrial Municipal Tax Incentive Bylaw.
2. Unless otherwise defined in this Bylaw, words and phrases used in this Bylaw have the same meaning as defined in the *Municipal Government Act*, RSA 2000, c. M-26, as amended.
3. For the purposes of this Bylaw, the following terms, phrases, words, and their derivatives shall have the meanings given herein.
4. In this Bylaw, unless the context otherwise requires:
 - a. “**Base Assessment Year**” means the assessment year immediately before the year in which a property’s Improvement Assessment increases due to New Construction.
 - b. “**Commercial**” shall mean a property zoned as Commercial through the Town of Three Hills Land Use Bylaw.
 - c. “**Eligible Property**” means property within Assessment Class 2 - Non-Residential as defined in the Act that meet the criteria set out in this Bylaw.
 - d. “**Exemption**” means the portion of municipal portion of taxes on non-residential property that have been determined to be exempt in accordance with this Bylaw.
 - e. “**Industrial**” shall mean a property zoned as Industrial through the Town of Three Hills Land Use Bylaw.
 - f. “**New Construction**” refers to site preparation for, and construction of an entirely new structure whether or not the site was previously occupied.

- g. **“Tax Incentive Agreement”** means a written agreement between the Town and the applicant setting out the terms and conditions for an Exemption under this Bylaw.

GENERAL

1. Minimum qualifying criteria and property tax Exemptions are outlined as per this Bylaw.
2. Exemptions may be granted to a maximum term of three (3) years at 100% exemption as per this Bylaw.
3. An Exemption only applies to the municipal portion of property taxes. Special levies, improvement levies, Senior Foundation Requisition and the Alberta School Foundation Fund Requisition are not exempt for the purpose of this Exemption. Linear and Designated Industrial properties that are assessed by Alberta Municipal Affairs are not eligible under this Bylaw.
4. A Tax Incentive Agreement will be required for all Exemptions granted, and the agreement must be fully executed prior to any Exemption taking effect.
5. The Exemption is transferable to any other property owner should the property change ownership; however, the term of the Tax Incentive Agreement shall not be adjusted.
6. The CAO is authorized to exercise appropriate managerial judgement to take such actions as may be necessary to achieve the purpose of this Bylaw.
7. Administration shall report to Council on all applications approved under this Bylaw.

CRITERIA FOR EXEMPTION

1. New Constructions may be eligible for an Exemption if the following eligibility criteria are met:
 - a. At the time of application, the subject property must not have any tax arrears and must remain current on all property taxes, utilities, and other fees owing to the Town during the term of the Tax Incentive Agreement.
 - b. The subject property must remain in compliance with all applicable development agreements, permits, municipal bylaws, and the *Safety Codes Act* during the taxation years in which the Exemption is granted.
 - c. The subject property must comply with all applicable municipal, provincial, and federal legislation, regulations, and bylaws.
 - d. All required municipal, provincial, and federal permits and approvals for the New Construction must be obtained.
 - e. A property owner (or business entity associated with the registered owner) is ineligible to apply for an Exemption if they have been in any form of litigation

against the Town, including an Assessment appeal, within the previous five (5) years of the application submission date.

- f. The Improvement Assessment for the New Construction on the subject property must increase by at least \$50,000 compared to the Base Assessment Year. Any Exemption granted under this Bylaw shall apply only to the increase in Improvement Assessment resulting from the New Construction and shall not apply to the assessed value of land or existing improvements.
- g. The business operating on the subject property must have a current Town Business License as of the application date.
- h. Must be located in an area zoned for the applicable commercial or industrial land use district within the Town.

APPLICATION FOR AN EXEMPTION

- 1. An application for an Exemption must be submitted with a Development Permit application for the subject property.
- 2. The Town has the discretion to deny or approve any application. The Town may also request additional information to assist in deciding on the application.
- 3. If approved, the property owner must enter into a Tax Incentive Agreement with the Town, on the form prescribed by the Town.
- 4. If denied, the Town will include written reasons for the denial, which shall include the deadline by which an appeal must be received by the Town.
- 5. If approved, the Exemption will commence upon approval of the Development Permit.

DEFAULT OR BREACH

- 1. If, at any time during the term of a Tax Incentive Agreement, the property owner fails to comply with the requirements of this Bylaw or the terms and conditions of the Tax Incentive Agreement, the Town shall cancel the Exemption.
- 2. Upon the cancellation of a Tax Incentive Agreement, the property owner shall be responsible for all municipal property taxes that would have otherwise been payable for the taxation year in which the breach occurred and for any future Exemption years.
- 3. Any taxes owing as a result of the cancellation of a Tax Incentive Agreement may be added to the tax roll and collected in the same manner as other property taxes if the outstanding taxes have not been paid.



APPEAL TO COUNCIL

1. A property owner may appeal to Council if an application for an Exemption is denied or cancelled.
2. A request for appeal must be submitted in writing to the CAO within 20 days of a written notice being sent to the property owner that an application has been refused or rejected. The written notice will be deemed received by the applicant seven (7) calendar days after it is sent by the Town.
3. Council will review an appeal at a regularly scheduled meeting of Council and the property owner will be notified of the date of the appeal.
4. A written decision of the appeal will be provided to the property owner following the decision of Council.

THIS BYLAW SHALL TAKE FULL FORCE AND EFFECT UPON THE DATE OF FINAL READING.

READ A FIRST TIME this 9th day of March, 2026.

READ A SECOND TIME this 23rd day of March 2026.

READ A THIRD TIME AND FINAL TIME this 23rd day of March 2026.



MAYOR



CHIEF ADMINISTRATIVE OFFICER



SCHEDULE "A"

Town of Three Hills

Commercial and Industrial Municipal Tax Incentive

Application

Application Date:	
Property Roll Number:	
Civic Address:	
Legal Land Description:	
Landowner:	
Tax Exemption Period:	
Business Name:	
Mailing Address:	
Phone:	
Email:	

Required Documents to be Submitted with Application:

Development Permit

Town of Three Hills Business License

I/We, the undersigned, understand the conditions of eligibility and further terms set out in Bylaw 1508-26 - Commercial and Industrial Municipal Tax Incentive Bylaw and acknowledge that I/we have the authority to request a tax Exemption on the above-mentioned property. I hereby acknowledge that:

1. The Town has the discretion to deny applications.
2. I agree to enter into a Tax Incentive Agreement with the Town, if the application is approved.
3. The Town will advise me in writing if the application is accepted or denied.
4. **I understand that only the municipal portion of property taxes is eligible for an Exemption.**
5. The Exemption shall apply to reduce the municipal property taxes to be paid in a given year, in accordance with the Bylaw, for up to three (3) years.

I hereby declare that the property described above meets the eligibility criteria for an Exemption, as stipulated in Bylaw 1508-26 - Commercial and Industrial Municipal Tax Incentive Bylaw.

Date:	
Signature of Applicant:	
Name of Applicant (print):	

Please submit your application with your Development Permit Application by mail at PO Box 610, Three Hills, AB T0M 2A0 or by email at communityservices@threehills.ca

For Administrative Use Only	
Development Permit Number:	_____
Issue Date:	_____
Base Assessment Value:	_____
New Assessment Value:	_____
Eligible Tax Years:	_____
Eligible Assessment **Minimum \$50,000	_____