

FOR DISCUSSION PURPOSES ONLY

**MATTERS RELATING TO ASSESSMENT
SUB-CLASSES REGULATION**

Definition

1 In this Regulation, “Act” means the *Municipal Government Act*.

Prescribed sub-classes

2(1) For the purposes of section 297(2.1) of the Act, the following sub-classes are prescribed for property in class 2:

- (a) vacant non-residential property;
- (b) small business property;
- (c) other non-residential property.

(2) For the purposes of subsection (1)(b), “small business property” means property in a municipality, other than designated industrial property, that is owned or leased by a business operating under a business licence issued by the municipality that states that the business has fewer than

- (a) 50 full-time employees, or
- (b) a lesser number of employees as set out in the municipality’s business licence bylaw,

as at December 31 of the year to which the licence relates.

(3) For the purposes of subsection (2), a property that is leased by a business is not a small business property if the business has subleased the property to someone else.

Tax rates

3(1) For the purposes of section 354(3.1) of the Act, the tax rate set for section 297(1)(d) of the Act to raise the revenue required under section 353(2)(a) of the Act must be equal to the tax rate set for property described in section 2(1)(c) to raise revenue for that purpose.

Provides municipal councils the ability to set different tax rates for different types of non-residential property. This will provide municipal councils flexibility to meet local needs.

Allows municipal councils the ability to define “small businesses” for their municipality and provide a different tax rate to support those businesses. Number of employees is consistent with Economic Development and Trade definition that small businesses are those which employ 1-49 people.

The *Modernized Municipal Government Act (MMGA)* repealed the section that governs that the tax rate for Machinery & Equipment (M&E) is to be equal to the tax rate set for class 2 – non-residential. In order for the tax rate for M&E to be equal to the tax rate set for class 2 – non-residential to continue, it must be set out in the regulation.

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Provides municipalities the ability to set a non-residential tax rate for small business that is less than the tax rate set out for other non-residential sub-classes.

- (2) The tax rate set for property referred to in section 2(1)(b)
- (a) must not be less than 75% of the lowest tax rate for property referred to in section 2(1)(c), and
 - (b) must not be greater than the highest tax rate for property referred to in section 2(1)(c).

Sets out when the regulation will come into force.

Coming into force

- 4 This Regulation comes into force on January 1, 2018.

DRAFT