BYLAW #3262
Business Incentives Bylaw

A bylaw of the County of Grande Prairie No. 1 in the Province of Alberta to provide non-residential property tax and/or machinery and equipment tax incentives for investment attraction, economic development, and expansions in eligible sectors.

WHEREAS: pursuant to the Municipal Government Act, RSA 2000, c. M-26 and amendments thereto, a Council may pass bylaws for multi-year tax Incentives, partial Incentives, or deferrals for non-residential properties (class 2) to attract investment, development and revitalization; and

WHEREAS: the County of Grande Prairie wishes to authorize the annual and/or long-term Incentive or deferral of machinery and equipment (class 4) property tax to attract investment, development and revitalization; and

WHEREAS: the Council of the County of Grande Prairie No. 1 is committed to promoting investment in a sustainable and diversified economic base within the County; and

WHEREAS: the Council of the County of Grande Prairie No. 1 considers it desirable to encourage the development or revitalization of non-residential properties and machinery and equipment for the general benefit of the municipality; and

WHEREAS: the Council of the County of Grande Prairie No. 1 has advertised its intention to consider the provisions of this Bylaw pursuant to requirements of the Act.

NOW THEREFORE, under the authority of the Municipal Government Act, the Council of the County of Grande Prairie No. 1, in the Province of Alberta, hereby enacts as follows:

INTERPRETATION

1. This Bylaw shall be cited as the "Business Incentives Bylaw".
2. Headings in this Bylaw are for reference purposes only.
3. Words in the masculine gender will include the feminine gender whenever the context so requires and vice versa.
4. Words in the singular shall include the plural or vice versa whenever the context so requires.

DEFINITIONS

5. In this Bylaw:

   5.1 "Act" means the Municipal Government Act, RSA 2000 c M-26 and amendments thereto.

   5.2 "Administration" means the administrative and operational arm of the County comprised of the various departments and business units and including all employees who operate under the leadership and supervision of the CAO.

5.3 "Applicant" means a person who applies for an Incentive.

5.4 "Assessed Person" means an assessed person as that term is defined under section 284(1) of the Act.

5.5 "Commercial Operation Date" means either:

5.5.1 The date from which the Machinery and Equipment components of the New Construction or Expansion Project are operational as determined in accordance with Matters Relating to Assessment and Taxation Regulation (MRAT) and the Act.

5.5.2 If the New Construction or Expansion Project does not include Machinery and Equipment, the date at which the New Construction or Expansion Project is completed as determined in accordance with MRAT and the Act,

5.5.3 Or such other date as the County may establish in its sole discretion.

5.6 "Complete Application" means an application submitted pursuant to this Bylaw that includes the applicable application requirements, and application form, as required by the CAO or designate.

5.7 "Council" means the duly elected Council members of the County of Grande Prairie No.1.

5.8 "County" means the municipality of the County of Grande Prairie No. 1 having jurisdiction under the Municipal Government Act and other applicable legislation.

5.9 "County Manager" also the "Chief Administrative Officer (CAO) means the person appointed by Council to the position of Chief Administrative Officer under the *Municipal Government Act* for the County or designate.

5.10 "Eligible Capital Costs" means the lower of:

5.10.1 The actual total capital costs incurred to build the Project, or

5.10.2 The estimated cost to the Applicant to build the Project as outlined in the Complete Application.

and shall include any new expenditures on labour, engineering, materials or other costs associated with the construction, but shall not include the costs of any improvements or Machinery and Equipment that existed on the land before construction commenced or the land itself, maintenance and turnaround costs, or other non-capital costs such as legal/regulatory/permitting fees.

5.11 "Eligible Sector" means a Project that has been approved to receive a tax credit, grant or other incentive by the Province of Alberta pursuant to the Alberta Petrochemicals Incentive Program, the Alberta Agri-Processing Investment Tax Credit, or the Alberta Carbon Capture Incentive Program.

5.12 "Expansion" means development that adds to an existing Structure to increase the Structure's physical space for purposes of facilitating additional hiring and Eligible Sector manufacturing, production, processing or associated works within that Structure; for example office space connected to the Eligible Sector.

5.13 "Incentive Balance" means the aggregate amount of municipal taxes to be exempted for a Qualifying Property over the term of a Business Tax Incentive Agreement.

5.14 "Incentive" means an Incentive taxation for Non-residential Property or Machinery and Equipment as provided for in Part 9, Division 1 of the Act. For purposes of clarity, the Incentive from taxation applies only to taxes imposed by the County under Part 9, Division 1 of the Act and not linear property taxes or any provincial or other third-party tax requisitions.

5.15 "Infrastructure" means any developer-contributed municipal infrastructure that the applicant is required to provide to service the project as a condition on municipal approval for the new construction or expansion. This may include, but is not limited to, new road construction, intersection upgrades, or the extension of water or sanitary services.

5.16 "Infrastructure Incentive" means an Incentive granted to a Qualifying Property which qualifies for an Incentive under this Bylaw.

5.17 "Machinery and Equipment" means machinery and equipment as defined by the Act and MRAT.

5.18 "MRAT" means the Matters Relating to Assessment and Taxation Regulation, 2018 AR 203/2017.

5.19 "New Construction" means the construction within the County of a new Structure for the purpose of establishing new Eligible Sector manufacturing, production, processing, or associated works within that Structure.

5.20 "Non-Residential Property" means non-residential as defined by the Act in respect of property.

5.21 "Program Officer" means the CAO or a delegate appointed by the CAO to carry out the provisions of this Bylaw.

5.22 "Project" means New Construction or Expansion of Property, which may include the development or revitalization of multiple facilities located in the County (excluding maintenance turnarounds or direct replacements of the components of an existing project).

5.23 "Property" means property as defined by the Act.

5.24 "Qualifying Property" means a Structure or Property that is the subject of the Project.

5.25 "Structure" means a structure as defined by the Act, or anything attached or secured to a structure that would be transferred without special mention by a transfer or sale of the structure.

5.26 "Business Tax Incentive Agreement" means a written agreement setting out the terms and conditions for the Qualifying Property.

GENERAL

CRITERIA FOR INCENTIVE

6. A Property can qualify for either an Eligible Sector Incentive, or an Infrastructure Incentive, but not both.

7. To be eligible for an Eligible Sector Incentive, the following criteria must be met:

   7.1. The Project must be an Eligible Sector Project that has received approval for an eligible tax credit, grant or other incentive from the Province of Alberta before the Application for the Eligible Sector Incentive is submitted.

7.2. The Project must be a New Construction or Expansion Project that commenced subsequent to the passing of this Bylaw or has commenced but was not operational at the time of the passing of this Bylaw.

7.3. The Property must be physically located in the geographic area of and within the jurisdiction of the County.

7.4. All necessary development approvals associated with the Property have been obtained from the County.

7.5. The Property must not be in arrears or have amounts owing with regards to property tax, utilities, or other fees or amounts owed to the County or going through foreclosure.

7.6. The Property is not in violation of a development agreement or the Safety Code Act at any time during the term of Business Tax Incentive Agreement.

7.7. The Applicant is the Assessed Person or authorized agent for the Assessed Person.

7.8. The Assessed Person must not be in arrears or have amounts owing with regards to property tax, utilities, or other fees or amounts owed to the County.

7.9. The Assessed Person must not be in bankruptcy or receivership.

7.10. The Assessed Person must be in compliance with terms and conditions of any grant or other financial assistance received from the County, irrespective of whether such grant or other financial assistance is related to the Project or Qualifying Property.

7.11. The Assessed Person and/or their agent must not furnish false information within an Application or furnish false information or misrepresent any fact or circumstance to the County.

7.12. The Assessed Person and their agent must meet all requirements under this Bylaw and the Act.

8. To be eligible for an Infrastructure Incentive, the following criteria must be met:

8.1. The Project must be a New Construction or Expansion Project that has commenced subsequent to the passing of this Bylaw or has commenced but was not operational at the time of the passing of this Bylaw.

8.2. The Project must be on a Non-Residential property in any industry classification and deploy Eligible Capital Costs of more than $5 million (Canadian dollars) and either:

8.2.1. employ a minimum of 20 personnel, including contract and subcontract labour, during the construction period, or

8.2.2. permanently employ a minimum of 5 (five) personnel during operations for the duration of the Business Tax Incentive Agreement.

8.3. The Property must be physically located in the geographic area of and within the jurisdiction of the County.

8.4. All necessary development approvals associated with the Property have been obtained from the County.

8.5. The Property must not be in arrears or have amounts owing with regards to property tax, utilities, or other fees or amounts owed to the County going through foreclosure.

8.6. The property is not in violation of a development agreement or the Safety Code Act at any time during the term of the Business Tax Incentive Agreement.

8.7. Applicant is the Assessed Person or authorized agent for the Assessed Person.

8.8. Assessed Person must not be in arrears or have amounts owing with regards to property tax, utilities, or other fees or amounts owed to the County.

8.9. Assessed Person must not be in bankruptcy or receivership.

8.10. Assessed Person must be in compliance with terms and conditions of any grant or other financial assistance received from the County, irrespective of whether such grant or other financial assistance is related to the Project or Qualifying Property.

8.11. Assessed Person and their agent must not furnish false information within an application or furnish false information or misrepresent any fact or circumstance to the County.

8.12. Assessed Person and their agent must meet all requirements under this Bylaw and the Act.

APPLICATION PROCESS

9. Applicants must submit a Complete Application to the County. The County has the discretion to reject applications that are incomplete, ineligible or provided after the deadline provided in this Bylaw.

10. A Complete Application must be received before any development associated with the New Construction or Expansion Project has commenced.

11. A Complete Application with respect to a Project under Section 5.6 must be received after the passing of this Bylaw.

12. Applicants whose applications are returned as incomplete, or ineligible, may resubmit an Application.

13. Notwithstanding the Complete Application requirements, the County may require any additional information that may be considered necessary to complete the Application, at the discretion of the County.

14. Complete Applications may be considered and approved in accordance with this Bylaw before construction on the Qualifying Property is complete, however, the Incentive will not apply until all construction on the Qualifying Property is complete, the development is inspected and approved, and the Commercial Operation Date takes place.

15. The County will advise Applicants in writing if their Application is accepted for consideration. Applications accepted for consideration shall become the property of the County and may not be returned.

CONSIDERATION PROCESS

16. The Program Officer shall receive and consider Complete Applications within the provisions of this Bylaw and may consult with, obtain information from, and verify information with other employees or agents of the County, other governments, government agencies, or persons.

17. The Program Officer, may, at any time, require the Applicant to provide any documents the Program Officer deems necessary to verify any information contained in the application or to confirm ongoing compliance with the eligibility criteria of the Incentive.

18. The Administrative team shall consider each Application and make recommendations to the CAO to:

    18.1. Grant the Incentive and enter into a Business Tax Incentive Agreement with the Applicant, or

    18.2. Reject the application and advise the Applicant with written reasons as to why.

19. The Program Officer may delegate any duty or responsibility of the Program Officer to an employee or agent of the County.

CALCULATION OF INCENTIVE

20. A Qualifying Property that meets the criteria to qualify for an Eligible Sector Incentive shall be granted an Incentive calculated and applied in accordance with this Section.

    20.1. The Incentive Balance shall be determined at the beginning of the term of a Business Tax Incentive Agreement and shall be equivalent to 2.5% of the Eligible Capital Costs.

    20.2. In the case of any assessment appeal, the Tax Incentive amount shall be recalculated if the assessment appeal results in any change to the assessed value of the Qualifying Property.

21. The Incentive Balance shall be allocated as follows:

    21.1. For all eligible tax years identified in the Business Tax Incentive Agreement, the Qualifying Property shall receive a maximum of 80% Incentive on the incremental increase in the annual property taxes levied upon the Qualifying Property based on the increase in the assessed value of the Qualifying Property attributable to the New Construction or Expansion for which the tax incentive has been granted in that tax year.

    21.2. In each taxation year, the amount of taxes exempted in accordance with clause 219.1.1 shall be deducted from the Incentive Balance, and any remaining balance of the Incentive Balance will be carried forward to offset municipal taxes in subsequent taxation years, in accordance with this section.

    21.3. Notwithstanding this Bylaw, should the remaining amount of the Incentive Balance be less than 80% of the incremental increase in the annual property taxes levied upon the Qualifying Property based on the increase in the assessed value of the Qualifying Property attributable to the New Construction or Expansion for which the tax incentive has been granted, the Incentive for that taxation year shall equal the remaining amount of the Incentive Balance.

    21.4. Once the Incentive Balance has been depleted, the Qualifying Property shall no longer receive any further Incentives.

    21.5. Notwithstanding this Bylaw, an Incentive shall in no case apply for more than a single term of not more than 10 consecutive taxation years, and only one 10-year term may be granted.

    21.6. Notwithstanding this Bylaw, no Incentive shall be permitted to apply in a tax year that is more than 15 years after an Incentive is approved in accordance with this Bylaw.

22. A Property that meets the criteria to qualify for an Infrastructure Incentive shall be granted an Incentive calculated and applied in accordance with this Section.

22.1. The Incentive Balance shall be determined at the beginning of the term of a Business Tax Incentive Agreement and shall be equivalent to 25% of Infrastructure Costs paid in respect of the New Construction or Expansion for which the incentive has been given.

22.2. Each year, property taxes will be reduced by 1/5 of the Incentive Balance, for a five-year term.

BUSINESS TAX INCENTIVE AGREEMENT

23. A Business Tax Incentive Agreement will be required for all granted Incentives. The Business Tax Incentive Agreement shall include the following:

23.1. The taxation years to which the Incentive applies must not include any taxation year earlier than the taxation year in which the Incentive is granted.

23.2. Conditions for breach of which will result in cancellation of the Tax Incentive Agreement, and the taxation year or years to which the conditions apply.

23.3. The date which Incentive shall begin in effect.

23.4. The amount of the Incentive, and the methodology to calculate the Incentive in each taxation year in accordance with CRITERIA FOR INCENTIVE Section 6.

23.5. Any other information or conditions as provided and deemed necessary by the County.

23.6. Tax Incentive Agreements must be approved by Council.

CANCELLATION OF INCENTIVE

24. If at any time after an Incentive is granted, the Program Officer determines that:

24.1. The Applicant or their Application did not meet or ceased to meet any of the criteria in which formed the basis of granting the Incentive; or

24.2. There was a breach of any condition of the Business Tax Incentive Agreement; the County may cancel the Incentive for the taxation year or years in which the criterion was not met or to which the condition applies. There was a breach of any condition of the BusinessTax Incentive Agreement

24.3. The County may cancel the Incentive for the taxation year or years in which the criterion was not met or to which the condition applies.

25. The County may, at any time, require the Applicant to provide any documents the County deems necessary to verify compliance with the conditions of a Businesss Tax Incentive Agreement.

26. Written notification of a decision to cancel an Incentive must be provided to the Applicant and must include reasons for the cancellation and identify the taxation year or years to which the cancellation applies. The written notification shall also provide the date by which an appeal to Council must be submitted.

APPEAL PROCESS

27. A request for appeal shall be submitted in writing to the CAO within 30 days of:

    27.1. Written notice being sent to the Applicant that an application has been refused or rejected.

    27.2. Written notice being sent to the Applicant that a Tax Incentive Agreement is cancelled; or

    27.3. Execution of a Business Tax Incentive Agreement

    27.4. as the case may be.

SEVERABILITY

28. Every provision of this Bylaw is independent of all other provisions and if any provision is declared invalid by a Court, then the invalid provisions shall be severed, and the remainder provisions shall remain valid and enforceable.

29. Should any provision of this Bylaw be invalid, then the invalid provision shall be severed, and the remainder of this Bylaw shall remain in effect.

EFFECTIVE DATE

30. This Bylaw shall come into force and effect on the third and final reading thereof.

31. This Bylaw expires on December 31, 2027.

Read a FIRST time this 6th day of October, 2025

Read a SECOND time this 6th day of October, 2025

Read a THIRD time and finally passed this 6th day of October, 2025

Robert G. Marshall
Reeve

Joulia Whittleton
County Manager

ATTACHMENTS
Not applicable.