

June 5, 2019

## Municipalities to be Granted Tax Incentive Powers

*Bill 7 will allow municipalities to offer property tax incentives for non-residential uses to support economic development*

On June 4, Kaycee Madu, Minister of Municipal Affairs, introduced **Bill 7**, *Municipal Government (Property Tax Incentives) Amendment Act*. Bill 7 will allow municipalities, through the creation of a bylaw, to offer a wide range of property tax incentives for non-residential properties for the purposes of attracting and retaining economic development within their municipal boundaries.

If a municipality chooses to offer a tax incentive, they will have the option to reduce taxes to whatever extent they determine is required for up to 15 years. Municipalities will have the choice of what type of non-residential properties (i.e. certain industries, minimum or maximum property sizes, specific property types) and what location to apply any tax incentives they provide within their municipality. The criteria that an individual municipality chooses to use will need to be set out in a bylaw.

RMA appreciates an additional tool for municipalities that enables autonomous, voluntary, local decision making. While this tool may be used to attract new businesses to rural municipalities, it should be used carefully to respect existing local businesses and not create an unfair tax burden for them.

RMA notes that the tax incentives will only apply to the municipal portion of property taxes. The education property tax will still be collected in full.

For a Q&A, click [here](#). To view Bill 7, click [here](#).

RMA appreciates an additional voluntary tool that enables municipalities to make local decisions and will share more details and analysis on Bill 7 as it is available.

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