CITY OF ST. ALBERT

CITY COUNCIL POLICY

NUMBER	TITLE
C-FS-19	Taxation of Vacant Residential Lands

ORIGINAL APPROVAL DATE	DATE LAST REVISED
August 17, 2015	December 17, 2024

Purpose

To establish policy for the taxation of vacant residential lands which have remained undeveloped for a defined duration of time.

Policy

The City of St. Albert will encourage development of vacant residential lands through the use of a higher rate of municipal property taxation on those lands which have remained vacant for a defined duration of time.

Definitions

"Assessor" – Any of the accredited assessment staff as employed by the City of St. Albert.

"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" – The term "vacant" for the purposes of this policy shall refer 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.

"Vacant Lands Tax Rate" – This shall be the reference given to the higher rate of taxation given to those properties which are deemed affected by this policy.

"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 242 1344 denotes a property was created by subdivision in 2024.

Responsibilities

Assessment Department

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

Council

- Is responsible for the annual approval of the "Vacant Lands Tax Rate" which will appear within the annual Tax Rate Bylaw.

- Is responsible for the approval of the bylaw as required under MGA section 297(2)(a) for the creation of a residential assessment sub-class, which facilitates the taxation of that sub-class at a higher rate of taxation.

Standards

1. General

    a) Residential 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 residential municipal tax rate, and are unaffected by this policy.

    b) Residential 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".

2. Applicable Properties

Only those properties which meet each of the following three (3) criteria will be subject to the "Vacant Lands Tax Rate":

- Properties having one of the following land use classifications (zonings):

    - LDR – Low Density Residential District
    - SLR – Small-Lot Residential District
    - LLR – Laned-Lot Residential District

- FBR – Front-Back Residential District
- MDR – Medium Density Residential District
- HDR – High Density Residential District

- Properties described by either of the following circumstances:
  Properties which have remained vacant for a period of seven (7) years or greater since their time of final subdivision.

  - 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.

- 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 Assessor as to which residential "Assessment Class" the property will fall into, and if the "Vacant Lands Tax Rate" should apply.

3. Excluded Properties

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

a) Residential zoned properties larger than 10.0 acres in area that are deemed by the Assessor to not yet be in their final and subdivided end use.

b) Residential zoned properties, whereby the property owner holds title to an *adjacent* improved property, and whereby the vacant lot in question has been integrated into the yard space enjoyed by the primary improved property. Typically these properties are landscaped, treed, and fenced and are contiguous with the adjacent lot where the primary residence is located.

c) Properties that are classified by the Assessor as "class 3 - farm land" as per MGA section 297(c). As per MGA section 297(2)(a), only those properties classified as residential (as opposed to farm land) can be contained within a sub-class for the purposes of applying a different tax rate.

d) For clarity, properties that have the following land use are not subject to this policy:

- NHC- Neighbourhood Commercial District
- TCC- Trail Corridor Commercial District
- RCC- Regional Commercial District
- BP1- Business Park 1 District
- BP2- Business Part 2 District
- ICS- Industrial and Commercial Service District

- IND- Industrial District
- MU1- Mixed-Use Level 1 District
- MU2- Mixed-Use Level 2 District
- MID- Midtown District
- DTN- Downtown District
- ICC- Integrated Care Community District
- PRK- Public Park District
- CON- Conservation District
- PSI- Public, Private, and Institutional Service District
- ALT- Alternate Jurisdiction District
- FUD- Future Urban Development District
- TRN- Transitional District
- DC- Direct Control District

- All land uses which are Commercial or Industrial in nature

4. Applicable Municipal Tax

a) The tax rate for general municipal purposes shall be set by the City Assessor at a ratio of 1.25 as compared to the general residential municipal tax rate. The Vacant Lands Tax Rate shall not exceed the general municipal non-residential tax rate.

5. Determination of Vacant Status

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.

6. Reversion to Regular Residential Tax Rate

A property which is taxed at the "Vacant Lands Tax Rate" will revert back to the regular residential municipal tax rate under the following scenarios:

a) Physical housing 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 in the following tax year..

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

b) The property owner has been issued a *development* permit by the City of St. Albert in respect of the property on or before December 31st of the assessment year in question.

c) The property owner has been issued a *building* permit by the City of St. Albert 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 a) above will occur within a short period after the building permit is issued.

d) 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 2 above.

e) The property is subdivided, consolidated, amended, or legally altered in a manner that at the discretion of the Assessor, has not materially changed the nature of the property, nor the vacant status of the lot.

7. Policy Review

This policy will be reviewed in accordance with the corporate review schedule.

DATE REVIEWED	NEXT REVIEW DATE	REVISIONS
December 17, 2024 – Financial & Strategic Services	**2028 - Financial & Strategic Services**	**August 17, 2015** **December 17, 2024 - CB-25-002**