



## Financial - Accounting

<b>Title: Tax Exemption Policy</b>	<b>Policy Number: FI-0012</b>
<b>Objective:</b> To foster industrial and commercial economic growth through the use of tax exemptions for eligible businesses.	
<b>Authority:</b> Resolution 2026-01-054 January 27, 2026	

### 1. POLICY STATEMENT

The Rural Municipality (R.M.) of Corman Park recognizes that targeted, performance-based tax incentives can stimulate high-impact investment and economic growth when applied prudently and transparently.

This policy establishes clear criteria, accountability measures, and reporting standards for property tax exemptions granted by the R.M.

### 2. PURPOSE

To support development that delivers measurable community and economic benefits that would not proceed “but for” a tax exemption, while protecting the long-term fiscal integrity of the municipality.

Objectives:

- Encourage business expansion, infrastructure development, and job creation.
- Ensure exemptions are performance-based, time-limited, and transparent.
- Apply a consistent and accountable decision-making framework for Council and Administration.

### 3. AUTHORITY

This policy is enacted under the authority of *The Municipalities Act*, Section 295, which allows Council to exempt property from taxation for economic growth purposes by bylaw. When an agreement under this section of the Act is entered into, the exemption also applies to taxes collected on behalf of other taxing authorities under Section 298 (i.e. school divisions).

### 4. SCOPE

This policy applies to all applications for municipal tax exemptions within the R.M. of Corman Park, excluding:

- Residential, Agriculture or personal property.
- Existing commercial/industrial improvements
- Commercial/industrial land

- Projects required solely for regulatory compliance.
- Projects that do not align with the R.M.'s Official Community Plan, Zoning Bylaw, or Strategic Plan.

**5. DEFINITIONS**

- *“Applicant”* - a business or property owner requesting a municipal property tax exemption.
- *“But-for Test”* - a financial assessment demonstrating that the project would not proceed without the exemption.
- *“Clawback”* - recovery or cancellation of tax benefits if project performance obligations are not met.
- *“High-Impact Project”* - development with significant capital investment, employment, or regional infrastructure impact.
- *“Performance Agreement”* - a written agreement outlining conditions, timelines, and clawback provisions approved by Council.

**6. POLICY PRINCIPLES**

**6.1 Eligibility**

To be eligible for a tax abatement consideration, an applicant must meet all the following criteria applicable to the project’s building permit value category:

- The project must fall within one of the building permit value ranges set out below; and
- The project must meet the corresponding minimum full-time employment requirement; and
- The exemption term and percentage will be limited to those associated with that value range.

<b>Building Permit Value</b>	<b>Exemption Term</b>	<b>New Building Exemption Percentage</b>	<b>Number of Full-Time Employees</b>
\$1,000,000 to \$5,000,000	One Year	100%	5 Full-Time Employees
More than \$5,000,001	Three Year	100%	More than 6 Full-Time Employees

- Create or sustain permanent employment in the R.M.
- Align with R.M. strategic priorities and land-use policies.
- Be in good standing with all municipal bylaws, taxes, and permits.

## **6.2 But-For Test**

Applicants must submit documentation demonstrating the necessity of the exemption, including:

- Financial statements or pro-forma identifying the viability gap.
- Evidence that comparable financing or other incentives are unavailable.
- Independent third-party verification may be required for projects above a defined threshold.

## **6.3 Performance-Based Conditions**

Exemptions are conditional on achievement of specific, measurable outcomes:

- Milestone-based exemption schedule (e.g., construction completion, occupancy, assessed value growth).
- Annual review of progress and compliance reporting.
- Suspension or termination of exemption for non-performance or non-compliance.

## **6.4 Clawbacks and Recapture**

- Council may revoke an exemption or require repayment where commitments are not met or the project is sold, relocated, or discontinued before the exemption term expires.
- Terms will be detailed in the Performance Agreement signed by both parties.

## **6.5 Transparency and Accountability**

- All approved exemptions will be published annually, identifying recipient, location, term, and estimated value.
- Administration will prepare an Annual Exemption Summary Report for Council, including costs, outcomes, and compliance status.
- Council decisions shall be made in public session unless otherwise protected under *The Local Authority Freedom of Information and Protection of Privacy Act* (LAFOIP).

## **6.6 Duration and Limits**

- Exemptions shall not exceed three (3) years

## 7. APPLICATION PROCESS

1. Submission - Applicant submits completed Tax Exemption Application Form, including business plan, financial data, and "but-for" analysis.
2. Review - Administration evaluates application using a scoring matrix based on investment size, employment impact, strategic alignment, infrastructure contribution, and sustainability.
3. Recommendation - Administration prepares a report and draft bylaw for Committee and Council consideration.
4. Performance Agreement - Executed following Council approval, outlines milestones, reporting, and clawback provisions.
5. Monitoring - Annual review and report to Council confirming compliance and continued eligibility.

## 8. REPORTING AND EVALUATION

- Administration will compile an annual Tax Exemption Performance Report summarizing:
  - Total exemptions granted and value.
  - Jobs created and retained.
  - Private capital investment leveraged.
  - Compliance and clawback actions, if any.
- Policy effectiveness will be reviewed every three (3) years and adjusted as needed to align with R.M. goals.

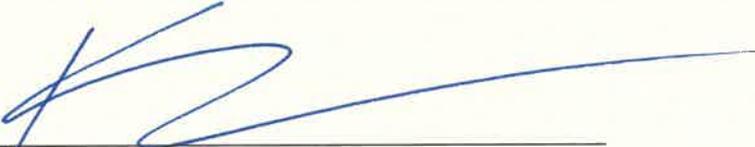
## 9. REFERENCES

- *The Municipalities Act*, SS 2005, c. M-36.1, Section 295
- R.M. of Corman Park Strategic Plan 2024–2028
- R.M. of Corman Park Official Community Plan Bylaw No. 20/24

## 10. EFFECTIVE DATE AND REVIEW

Effective upon Council approval.

Reviewed every three (3) years by the Administration Committee.

  
Kerry Hilts, Chief Administrative Officer

Date

January 27 / 2026



