City of North Battleford

Policy # D-01-005

RESIDENTIAL CONSTRUCTION TAX INCENTIVE POLICY

Authority: Council	**Resolution No.** 26/183
Date Adopted: June 22, 2026	**Effective Date:** June 22, 2026
Department Responsible: Economic Development	**Review Date:** Quarter 1, 2028

PURPOSE

The purpose of this Policy is to encourage development on vacant serviced residential lots to stimulate local construction activity and to assist in addressing housing shortages in the City by abating the municipal portion of property taxes for newly constructed one-, two-, three-, and four-unit dwellings in the City of North Battleford.

SCOPE

All vacant serviced properties in the boundaries of the City of North Battleford may apply for the Residential Construction Tax Incentive Policy.

RESPONSIBILITY

- Council is responsible for the approval of this policy.
- Council is responsible for delegating authority to the City Manager to approve applications in accordance with this policy.
- The City Manager or their designate is responsible for reviewing and approving or denying tax-based incentives that have been applied for in accordance with this policy.
- The Economic Development Manager is responsible for:
  - receiving, reviewing, and processing applications;
  - inspection, review, and reporting of progress of the incentivized work;

- verification of completion of incentivized work and documentation of actual costs; and
- report the completion of incentivized work to Council and the Finance Department.

▪ The Finance Department is responsible for applying City Manager approved tax-based incentives to the property.

DEFINITIONS

Unless otherwise specified, in this Policy:

"**Adjacent Municipalities**" include the Rural Municipality of Battle River No. 438, the Rural Municipality of North Battleford No. 437, and the Town of Battleford.

"Agreement" means a tax incentive agreement between the owner of a parcel of land (the property) and the City of North Battleford and the contents specified by the City Manager.

"Application" means an application submitted for the Residential Construction Tax Incentive Policy in accordance with the procedures set out in this Policy.

"City" means the City of North Battleford.

"City Manager" means the person appointed as the administrative head of the City of North Battlefords pursuant to section 84 of *The Cities Act* and includes a person acting as his or her designate.

"Council" means the elected Council of the City of North Battleford.

"Incentive" means the Residential Construction Tax Incentive established by this Policy.

"Eligible Expense" means an expense that may be included when calculating the minimum qualifying construction value set out in Schedule A.

"Ineligible Expense" means an expense that may not be included when calculating the minimum qualifying construction value set out in Schedule B.

"**National Building Code**" means the *National Building Code of Canada 2020* as adopted by the *Building Code Regulations* as amended from time to time.

"Municipal Tax" means the portion of the property taxes calculated from the Taxable Assessed Value multiplied by the Council approved Mill Rate.

"Tax Incentive" means the reduction of the municipal portion of property taxes, approved by the City Manager, to be paid to the City in recognition that the property owner is undertaking property improvements that the City identifies as having value to the city.

"Tax Incentive Period" means the period of three (3) years or five (5) years, as the case may be, after the occupancy permit is issued for a new construction subject to an application.

"**Vacant Property**" means a residential lot devoid of permanent residential structures, including any lot made vacant by the demolition of a pre-existing building.

"Zoning Bylaw" means the City of North Battleford Zoning Bylaw as amended from time to time, and all adopted amendments at the time of the agreement being signed.

POLICY

1. Applications for the Residential Construction Tax Incentive Policy will be accepted beginning on the date of adoption of this Policy.
2. Applications for the Residential Construction Tax Incentive Policy will be considered on a case-by-case basis.
3. To be eligible for the Residential Construction Tax Incentive, the project must:
   a) Not receive land gifted by the City;
   b) physical construction must commence within 12 months of the approval for the incentive; and
   c) be completed within 24 months of the approval for the incentive.
4. Incentive applications must include the following:
   a) details of the estimated cost of the project; and
   b) proof that the property must be current on property taxes.
5. Incentive applications must not include construction work commenced prior to City approval of the incentive application.
6. The Residential Construction Tax Incentive is only applied to the municipal tax portion of the property taxes, and does not apply to the:
   a) land portion of the municipal tax;
   b) Education Taxes;
   c) UPAR; or
   d) Recreation & Cultural Capital Facilities Levy.
7. The Residential Construction Tax Incentive is applied to the actual documented eligible cost of constructing an eligible dwelling, or the estimated costs of the construction for which the City approved the incentive.
8. Where eligible construction costs exceed the approved incentive cost, an applicant can make a submission to Council for the reconsideration of revised costs, the approval of which is at the discretion of Council.

9. To receive the Residential Construction Tax Incentive, the project must:
   a) have an estimated construction value of eligible expenses more than the minimum value of $175,000;
   b) commence within 12 months of approval of the incentive by the City;
   c) be completed within 24 months of approval of the incentive by the City; and
   d) provide the City with supporting receipts demonstrating that the costs claimed are eligible expenses.
10. An applicant may apply to City Council once for up to a 12-month extension.
11. The Residential Construction Tax Incentive will be applied once a building permit is issued.
12. The Residential Construction Tax Incentive cannot be combined with any other tax incentive from the City.
13. This incentive will only be issued to the registered owner of dwellings completed under this Policy.
14. The applicant must apply for and be granted a Development Permit for work requiring a Development Permit prior to commencing the work.
15. Including any other applicable requirements, improvements must comply with the:
   a) *National Building Code*;
   b) *Uniform Building and Accessibility Standards Act*;
   c) *City of North Battleford Zoning Bylaw*; and
   d) *City of North Battleford Building Bylaw*.
16. Nothing in this policy shall change the requirements for receiving a Development or Building Permit.
17. Schedule A contains a list and examples of expenses that are eligible for the Residential Construction Tax Incentive.
18. Schedule B contains a list and examples of expenses that are not eligible for the Residential Construction Tax Incentive.
19. The Residential Construction Tax Incentive is tied to the property and remains with the property when it is sold for the duration of the incentive period.

GUIDELINES AND PROCEDURES

20. Applicants must submit a complete "Application for" form as provided on the City's website or by City staff, to the Economic Development Manager.

21. Upon receipt of a complete application the Economic Development Manager will prepare a report and recommendation for the City Manager, summarizing the project, which could include conditions such as:

    a) summary of work to be completed;

    b) compliance with the requirements of the Zoning Bylaw;

    c) control of noxious or offensive emissions such as noise and dust during construction;

    d) massing (size and shape) of the building;

    e) pedestrian impacts, both positive and negative;

    f) projected start and completion dates;

    g) site cleanliness; and

    h) estimated cost of the project.

22. Project approval of a Residential Construction Tax Incentive and/or the application of conditions to be met by the applicant to receive the Residential Construction Tax Incentive is provided by the City Manager.

23. The Economic Development Manager, shall:

    a) communicate the City Manager's decision and/or conditions (if any) with the applicant;

    b) forward all the necessary information to the Director of Finance including verification of project completion to apply incentives;

    c) have a Residential Construction Tax Incentive Agreement prepared and signed by City Clerk or their designate and the applicant.

    d) perform regular inspections to ensure progressing work;

    e) review actual costs and supporting documents submitted by the applicant and confirming eligible expenses;

    f) provide quarterly updates to Council including:

        i. the status of projects approved for the Residential Construction Tax Incentive Program (abandoned, in progress and completed projects);

        ii. for projects completed since the last status report:

            a. date of Completion,

            b. eligible cost submitted and verification of eligible costs; and

            c. date of commencement and the duration of the incentive;

g) forward a request to the Finance Department to begin the tax incentive.

24. A tax incentive commencement date will depend on the date of construction completion and the submission of complete construction documentation and eligible costs as follows:

    a) Prior to May 31, the tax incentive will start January 1 the same year; or,

    b) After May 31, the tax incentive will start January 1 the year after.

INCENTIVE STRUCTURE

25. Where the assessed value of a dwelling completed under this Policy is:

    a) less than $400,000, the incentive will be provided as a 100% annual abatement of the municipal portion of property taxes for three (3) years.

    b) more than $400,000, the incentive shall be provided as 100% annual abatement of the municipal portion property taxes for five (5) years.

CANCELLATION

26. A City Approved Residential Construction Tax Incentive may be cancelled before or after the completion of construction, in one or more of the following circumstances:

    a) on request of the owner;

    b) if any one (1) of the City required conditions are not met;

    c) if any one (1) of the conditions outlined in this Policy are not met;

    d) if the project fails to meet the minimum qualifying value;

    e) if the Developer does not inform the City that construction is complete or submit actual cost of eligible improvements within six (6) months of construction completion; or,

    f) If an approved property's property taxes go into arrears, after December 31 of the tax year.

27. If the Residential Construction Tax Incentive is cancelled by the City, the credit amounts will be charged back to the property on the tax roll and are considered due and collectible upon written notice.

Schedule A

Residential Construction Tax Incentive Eligible Expenses

Eligible Expenses	Examples
Permanent Exterior Works	▪ Lighting ▪ Roofing & Siding ▪ Doors & windows ▪ Porches ▪ Decks ▪ Landscaping, including fences and paving ▪ Paved parking pads & driveways ▪ Paved walkway from the front of property line to front door of garage
Interior Works	▪ Flooring ▪ Paint ▪ Drywall ▪ Framing ▪ Light fixtures ▪ Cupboards & countertops ▪ Plum bin & fixtures ▪ Dishwashers, stoves, stove hood vents
Permanent Electrical and Mechanical Systems and Installation	▪ Electrical systems ▪ Plumbing systems ▪ HVAC systems
Structural Works	▪ Construction of interior walls ▪ Construction of structural elements, including foundation

Schedule B

Residential Construction Tax Incentive Ineligible Expenses

Ineligible Expenses	Examples
Administrative	▪ Legal fees ▪ Attorney Fees ▪ Loan fees ▪ Mortgage fees ▪ Property Acquisition Fees ▪ Building Permit Fees ▪ Development Permit Fees
Non-permanent items	▪ Removable items ▪ Equipment or Inventory ▪ Purchase of tools, equipment, or machinery ▪ Fridges, washing machines, dryers, AC units, microwaves, etc.
Property owner labour costs	▪ Any item which Applicant pays contractor in services or in merchandise ▪ Labour performed by applicant/property owner
Architectural and engineering services	▪ Feasibility studies ▪ Preparation of cost estimates ▪ Preparation of drawings ▪ Preparation of Tax Incentive Applications ▪ Structural analysis
Exterior work (Unrelated)	▪ Fences and outbuildings (other than detached garages)
Operating costs	-
Routine maintenance	-
Land costs	▪ Land purchase costs