



REQUEST FOR DECISION

MEETING DATE: March 28, 2022

TITLE: C-1192-22 – 2022 Business Improvement Area Tax Bylaw – First and Second Reading

DIVISION: Corporate Services

SUMMARY:

First and second reading of Bylaw C-1192-22 – 2022 Business Improvement Area (BIA) Tax Bylaw is being brought forward for Council’s consideration. Bylaw C-1192-22 will require the preparation of assessments for the purpose of imposing a BIA tax on all taxable businesses operating within the City Centre BIA; sufficient to raise the amount that the City Centre Business Association (CCBA) is to receive, from the municipality in respect of the BIA tax as set out in the CCBA’s approved budget. A BIA Tax Bylaw is required when a BIA has been established within the municipality and must first be in place for Council to authorize a BIA Tax Rate Bylaw.

PROPOSED MOTION:

THAT first reading be given to Bylaw C-1192-22 – 2022 Business Improvement Area Tax Bylaw.

THAT second reading be given to Bylaw C-1192-22 – 2022 Business Improvement Area Tax Bylaw.

BACKGROUND / ANALYSIS:

In August 2016, the City Centre Business Improvement Area was established by Bylaw C-966-16, and the CCBA was established as the board for the area, under the same bylaw. A BIA tax bylaw is required to prepare assessments for the purpose of imposing a BIA tax on all taxable businesses operating within the City Centre BIA sufficient to raise the amount that the CCBA is

to receive from the municipality in respect of the business improvement area tax as set out in the CCBA's approved budget.

The CCBA held their 2021 Annual General Meeting on September 30, 2021, at which the Board of Directors gave approval to their proposed 2022 budget, which included maintaining the \$32,000 of revenue through the BIA tax to be raised through taxation of the taxable businesses operating within the boundaries of the BIA.

On November 29, 2021, as required by legislation and as part of the City's corporate planning process, Council accepted their proposed 2022 budget and incorporated this amount into the City's approved 2022-2024 Corporate Plan. When a BIA has been established, Council must pass a BIA tax bylaw prior to May of each year, to authorize the assessment and taxation of all taxable businesses operating within the boundaries of the BIA. This bylaw must first be in place in order for Council to authorize the annual Business Improvement Area Tax Rate Bylaw.

OPTIONS / ALTERNATIVES:

n/a

CONSULTATION / ENGAGEMENT:

The process for establishment of a BIA is governed by the Business Improvement Area Regulation 93/2016. Establishment is initiated by a request to Council signed by the persons who would be liable for payment of a BIA tax, and must represent a minimum of 25 per cent of the businesses that would be taxable if an area was established. A municipality is required to take all reasonable steps to ensure written notice of the request to establish is mailed or delivered to every business within the proposed area. A petition to council in objection of the establishments is sufficient if signed by persons who represent more than 50 per cent of the would be taxable businesses and is filed with the chief administrative officer (CAO) within 60 days of the written notice of the request to establish was mailed or delivered to the businesses within the proposed area. If a sufficient petition is declared by the CAO, Council may not consider the same request until two years have passed from the day the petition was declared sufficient.

In January 2016, City Council received a request for establishment signed by 68 percent of the businesses that would be taxable if an area was established. No petition in objection of establishment was filed and in August 2016, the City Centre BIA was established by Bylaw C-966-16.

The BIA Regulation 93/2016 also provides multiple processes for disestablishment of a BIA. Taxpayers within the area may petition for a bylaw to disestablish. In order to be sufficient, the petition must be signed by persons representing minimum 25 per cent of the taxable businesses. Within 30 days of the CAO declaring a petition to be sufficient, Council must give

first reading to a bylaw to disestablish, specify a date within 90 days after the question that is to appear on the ballot for the vote. The date on which the bylaw is to take effect must be at least six weeks after the date of the vote. Disestablishment may also be initiated through Council on its own initiative or through Council at the request of the area's board. In either case, the process for the bylaw, vote and effective date are the same as with initiation by sufficient petition.

IMPLEMENTATION / COMMUNICATION:

Administration has scheduled the preparation of the Combined BIA Assessment and Tax notices in April. Once Council has approved the necessary bylaws, notices will be prepared and issued to the businesses recorded on the Assessment Roll. Businesses referred to in section 351 or 375 of the *Municipal Government Act* are exempt from taxation (e.g. churches, non-profit organizations).

Administration will manage billing inquiries. BIA tax payments will be due on June 30th. The City has developed an administrative procedure that comes into effect in 2022 which is intended to make the collection of the BIA tax levy more effective and ties the collection of the levy to business license renewal. It will follow an approach based on a typical enforcement procedure involving education, a warning, and finally, a consequence, while allowing time for businesses to pay the levy and come into compliance before the City takes the next step. Specifically, this would include the following steps:

- The City sends out the initial BIA tax notices by April 30. This will include a letter that their business license may not be renewed if the levy is not paid.
- The BIA tax notice clearly indicates June 30 as the deadline for remitting payment.
- The City will generate a list of overdue accounts by September 1 and a letter sent to those businesses warning that their business licenses will not be renewed until the levy has been paid.
- Overdue account holders will be prevented from renewing their business license within the new online renewal system until the outstanding levy has been paid.
- The BIA tax levy would be enforceable under Bylaw C-1124-20 Development, Fees and Fines.

IMPACTS:

n/a

FINANCIAL IMPLICATIONS:

The City of Spruce Grove has paid \$32,000 to the CCBA as the amount to be funded by the BIA Tax as set out in their 2022 approved budget.

STRATEGIC VISION ELEMENT:

This topic relates to all three of the City's strategic vision elements contained in Council's Strategic Plan

RELATED GOAL:

Spruce Grove has a robust, growing economic base that generates increased revenues to support the City's high standards for service and programs.