



REQUEST FOR DECISION

MEETING DATE: April 8, 2024

TITLE: C-1310-24 - 2024 Business Improvement Area Tax Bylaw - First and Second Reading

DIVISION: Corporate Services

SUMMARY:

First and second reading of C-1310-24 - 2024 Business Improvement Area (BIA) Tax Bylaw is being brought forward for Council's consideration. This is the annual bylaw required by provincial regulation for the preparation of assessments for the purpose of imposing a BIA tax on all taxable businesses operating within the City Centre BIA. The BIA tax is sufficient to raise the amount that the City Centre Business Association (CCBA) is to receive from the municipality in respect of the BIA tax set out in the CCBA's approved budget.

PROPOSED MOTION:

THAT first reading be given to C-1310-24 - 2024 Business Improvement Area Tax Bylaw.

THAT second reading be given to C-1310-24 - 2024 Business Improvement Area Tax Bylaw.

BACKGROUND / ANALYSIS:

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.

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 annually, under the provincial Business Improvement Area Regulation, to prepare assessments for the purpose of imposing a BIA tax on all taxable businesses operating within the City Centre BIA. The BIA tax is set in order to be 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 2023 Annual General Meeting on September 26, 2023, at which the Board of Directors gave approval to their proposed 2024 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 December 4, 2023, as required by legislation and as part of the City's corporate planning process, Council accepted their proposed 2024 budget and incorporated this amount into the City's approved 2024-2026 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 for Council to authorize the annual Business Improvement Area Tax Rate Bylaw.

OPTIONS / ALTERNATIVES:

Council may choose to make amendments to the BIA Tax Bylaw.

CONSULTATION / ENGAGEMENT:

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

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 developed an administrative procedure which makes the collection of the BIA tax levy more effective by tying the collection of the levy to business license renewal. The procedure follows 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. The procedure includes 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 until the outstanding levy has been paid.
- The BIA tax levy would be enforceable under C-1268-23 - Development Fees and Fines Bylaw.

IMPACTS:

n/a

FINANCIAL IMPLICATIONS:

The City of Spruce Grove will pay \$32,000 to the CCBA as the amount to be funded by the BIA Tax as set out in their 2024 approved budget.