



Lethbridge County
Agenda - County Council
Friday, April 27, 2018 - 11:30 a.m.
SPECIAL COUNCIL MEETING

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TITLE: 2018 Business Tax Bylaw No. 18-014			
PREPARED BY: Tracy Anderson		DATE: April 27, 2018	
DEPARTMENT: Corporate Services			
		ATTACHMENTS: 2018 Business Tax Bylaw No. 18-014	
Department Supervisor	Date		
APPROVALS:			
T. Anderson		S. Steinke	
	<i>April 26 / 18</i>		<i>26 APR 18</i>
Department Head	Date	Interim Chief Administrative Officer	Date

RECOMMENDATION:
That Bylaw No. 18-014, being the 2018 Business Tax Bylaw, be given first, second and third readings.

BACKGROUND:

The *Municipal Government Act* (MGA) gives municipalities the option to levy a business tax. If Council chooses to levy a business tax, it must pass a Business Tax Bylaw prior to doing so. A Business Tax Bylaw applies to the year in which it is passed, only if it is passed before May 1 of that year. The following MGA sections apply:

- Section 247 – adopt the annual operating and capital budgets prior to adopting the annual business tax bylaw – *approved on December 20, 2017;*
- Section 371 – pass a business tax bylaw prior to May 1st – *on April 27, 2018 Agenda;* and
- Section 377 – pass a business tax rate bylaw annually – *on May 3, 2018 Agenda.*

The 2018 Capital Budget included the business tax as a municipal revenue source and established the revenue requirement from business tax. The Business Tax Bylaw provides the authority for business taxes to be collected from businesses operating within Lethbridge County. The Business Tax Bylaw has been implemented to generate municipal revenues to assist with the maintenance of its Market Access Network.

The proposed 2018 Business Tax Bylaw (18-014) mirrors the 2017 Business Tax Bylaw (1500) with two exceptions. First, updates have been completed to reflect the 2018 dates. Second, revisions are recommended to reflect changes to the MGA which became effective on January 1, 2018. Throughout the 2018 Business Tax Bylaw all references to the term “Assessor” have been replaced by the term “Municipal Assessor”, which is defined in subsection 3(k) of the bylaw.

If the 2018 Business Tax Bylaw is approved, the 2018 Business Tax Rate Bylaw will be presented to Council on May 3, 2018. The 2018 Business Tax Rate Bylaw will include the 2018 business tax rate. 2018 Business Tax Notices are scheduled to be mailed in late May 2018.

FINANCIAL IMPLICATIONS:

Business tax revenues are a source of funding for current and future capital fiscal plans and are specifically allocated to maintenance of the Market Access Network.

Funds have been approved in the 2018 Budget for the Funding our Future Program in the amount of \$11.05 million. The 2018 business tax revenue is currently projected to be \$1.45 million.

BYLAW NO. 18-014
OF LETHBRIDGE COUNTY
IN THE PROVINCE OF ALBERTA
2018 BUSINESS TAX BYLAW

BEING A BYLAW PROVIDING FOR THE ASSESSMENT AND TAXATION OF BUSINESSES OPERATED WITHIN LETHBRIDGE COUNTY.

WHEREAS the *Municipal Government Act* (R.S.A. 2000, c. M-26) provides that the council of a municipality may pass a business tax bylaw;

AND WHEREAS the *Municipal Government Act* further provides that a business tax bylaw can specify classes of businesses that are exempt from taxation;

NOW, THEREFORE THE COUNCIL OF LETHBRIDGE COUNTY IN THE PROVINCE OF ALBERTA ENACTS AS FOLLOWS:

Short Title

1. This Bylaw shall be known and may be cited as the "2018 Business Tax Bylaw".

Purposes

2. The purposes of the Bylaw are as follows:
 - a) to authorize the assessment and taxation of businesses operating in Lethbridge County; and
 - b) to provide for the exemption from taxation of certain classes of businesses operating in Lethbridge County.

Interpretation

3. In this Bylaw, unless the context otherwise requires:
 - a) "Animal Units" means the number obtained by multiplying the number of animals permitted to be stored on a premises by the number of animals equivalent to one animal unit for that species of animal, as set out in Schedule "B" attached hereto;
 - b) "Business" includes those businesses in Lethbridge County as defined in Section 1(1)(a) of the *Municipal Government Act*;
 - c) "Business Tax" means the amount of business tax as set in this Bylaw, which shall be arrived at in accordance with Section 378 of the *Municipal Government Act*;
 - d) "Business Tax Assessment" means the assessment arrived at pursuant to this Bylaw, which has been entered on the business tax assessment role;
 - e) "Business Tax Assessment Roll" means the assessment roll for all businesses as defined in this Bylaw which are not exempt hereunder, as determined on an annual basis by the **municipal assessor**;
 - f) "Business Tax Rate Bylaw" means that Bylaw which shall be passed in every year by the municipality, setting out the business tax rate for businesses as defined in this Bylaw;

- g) "Business Tax Year" means the period commencing January 1st and ending on December 31st in the same year;
- h) "Condominium Grain Storage Operation" means a grain storage facility consisting of condominium units located on the premises for the purposes of storing grain;
- i) "Confined Feeding Operation" means a confined feeding operation as defined by the current Lethbridge County Land Use Bylaw;
- j) "Floor Space" means the floor space of all the floors in a building and the area outside the building that is occupied for the purposes of that business;
- k) "Municipal Assessor" means the person appointed to the designated officer position of municipal assessor pursuant to section 284.2 of the Municipal Government Act and Bylaw 1439.
- l) "Municipality" means Lethbridge County, a municipal corporation of the Province of Alberta and, where the context so requires, means the area contained within the municipal boundaries of Lethbridge County;
- m) "Person" means and includes one or more persons, a partnership, or cooperative, or joint venture, or a body corporate, or one or more bodies corporate, or an association of such persons or bodies corporate, who are carrying on a business on premises in the municipality;
- n) "Premises" means the parcel of land, or contiguous parcels of land, buildings, barns, corrals, yards, shelters, pens or any space, indoors or outdoors, occupied or used by a person for the conduct of business. Notwithstanding the above, in the event a person is conducting the same business on two contiguous parcels under two different development permits, such parcels shall not be considered to be the same premises;
- o) "Property Tax Assessment" means an assessment done by the **municipal assessor** under Part 9 of the Municipal Government Act; and
- p) "Ranch Operation" means a business where cows, bison, llamas, horses, sheep, alpacas, ostriches, or similar animals are kept primarily for breeding purposes, and where the offspring from such animals are sold or kept for breeding.

Persons Subject to a Business Tax

- 4.1 Any person who operates a business which is not exempt, as set out in Schedule "A" attached hereto, on premises located within the municipality, shall be required to pay the municipality a business tax in an amount arrived at by multiplying the business tax rate by the business tax assessment for such premises, which appears on the business tax assessment roll for that year.
- 4.2 Notwithstanding Section 4.1, no business tax shall be assessed on any business carried on, or operated by the municipality or at a location operated by an official or employee of the municipality acting on behalf of the municipality in his or her capacity as such official or employee.
- 4.3 When a person carries on two or more businesses, at the same premises, the business tax assessments of each business shall be combined to determine the total business tax assessment for such person.

- 4.4 Notwithstanding that an exempt business is being operated on part of the premises, a person shall be required to pay business taxes for the non-exempt business or businesses.
- 4.5 No tax will be imposed in respect of a business that is exempt under Section 351, 375 or 376 of the *Municipal Government Act*.

Business Tax Assessment Roll

5. The **municipal assessor** shall prepare a business tax assessment roll annually for all businesses in the municipality which are not exempt under Schedule "A". The business tax assessment roll shall be separate and distinct from the property tax assessment roll.

Assessment and Taxation of Confined Feeding Operations and Ranch Operations

- 6.1 The storage capacity for each confined feeding operation shall be determined by using the animal storage capacity as set out in either the Development Permit or as approved by the National Resources Conservation Board (NRCB) for such premises. In the event there is no existing Development Permit, registration from the NRCB or an approval from the NRCB for such premises, then the **municipal assessor** shall determine the animal storage capacity in accordance with generally accepted Alberta Agriculture Source Materials and Practices.
- 6.2 The number of animals units for each confined feeding operation shall be determined by multiplying the relevant ratio as set out in Schedule "B" by the animal storage capacity as set out in either the Development Permit or the NRCB approval or as determined by the **municipal assessor** in accordance with generally accepted Alberta Agriculture Source Materials and Practices.
- 6.3 The animal units for each ranch operation shall be determined by multiplying the relevant ratio as set out in Schedule "B" by the number of breeding animals on the premises in the previous taxation year.
- 6.4 The business tax assessment for each confined feeding operation and ranch operation shall be arrived at by multiplying the number of animal units of storage capacity for the premises by the dollar value per animal unit of storage capacity as set out in the Business Tax Rate Bylaw.
- 6.5 In the event that there are two or more confined feeding operations, having different species of animals on the same premises, the total of the animal units for each confined feeding operation shall be used to determine the assessment for each premise.
- 6.6 For the purpose of the business tax assessment under this Bylaw, the dollar value per animal unit shall be set out in the Business Tax Rate bylaw.
- 6.7 The number of animals approved in a Development Permit or by the NRCB shall be deemed to be the storage capacity of the business on the premises.

Assessment and Taxation of Condominium Grain Storage Operations

7. The business tax assessment for condominium grain storage operations shall be arrived at by multiplying the tonnage capacity of the bin by the dollar rate per unit as set out in the Business Tax Rate Bylaw.

Assessment and Taxation of Dog Kennels and Mushroom Barns

8. The business tax assessment for dog kennels and mushroom barns shall be arrived at by multiplying the floor space by the dollar rate per unit of floor space as set out in the Business Tax Rate Bylaw.

Assessment and Taxation of Aqua Culture Operations

9. The business tax assessment for aqua culture operations shall be arrived at by multiplying the size of the pond by the dollar rate per acre of pond size as set out in the Business Tax Rate Bylaw.

Assessment and Taxation of Apiaries

10. The business tax assessment for apiaries shall be arrived at by multiplying the number of hives by the dollar rate per hive as set out in the Business Tax Rate Bylaw.

General Assessment Procedures

- 11.1 Every person who carries on a business subject to the business tax shall submit to and assist in any inspection required by the **municipal assessor** with respect to the business taxed or to be taxed and shall furnish to the **municipal assessor** all information required.
- 11.2 The business tax assessment roll shall contain the name of every person occupying, renting, or subleasing premises for the purpose of carrying on a business as defined herein and not exempted herein, and the **municipal assessor** shall assess such person by entering on the said roll, the assessment for the premises so occupied, rented or subleased, and the place where the business is carried on.
- 11.3 When the **municipal assessor** is satisfied that any person who has paid the business tax in any year, has given up, sold, or disposed of such business permanently, then the **municipal assessor** shall reimburse to such person the business taxes for the balance of the year on a monthly pro-rated basis.
- 11.4 Where the landowner or tenant liable to assessment in respect of any premises owned or leased by him leases or sub-lets the whole or a portion thereof, the **municipal assessor** in his discretion may assess either the tenant or the sub-tenant in respect of the premises or the portion of the premises leased or sub-let.
- 11.5 The occupant of any premises liable to taxation under this Bylaw shall be liable for the business tax aforesaid though he may also be the owner of the premises and as such owner be liable to taxation on the lands, buildings and improvements.
- 11.6 The municipality shall mail or cause to be delivered to each person taxable under this Bylaw, a written or printed notice showing the assessed amount pursuant to the business tax assessment roll, as well as the business tax levied against such business.
- 11.7 The business tax shall be due and payable by the deadline stated in the Lethbridge County Penalty Rate Bylaw. Balances that remain outstanding beyond the deadline shall be imposed a penalty in accordance with the Penalty Rate Bylaw. All penalties provided for by this, or the Lethbridge County Penalty Rate Bylaw, shall be added to and form part of the unpaid taxes.
- 11.8 The business tax shall be levied once during the calendar year beginning with January 1st and ending with December 31st.

11.9 The business tax issued under this Bylaw shall not be transferred except to a person who purchases the business or the shares in a corporation operated as a business in respect of which the business tax was issued.

Appeals

- 12.1 The person assessed for the purposes of the business tax has the right to appeal the assessment in accordance with the Municipal Government Act.
- 12.2 Any business tax owing that remains outstanding after the due process for appealing the assessment and the deadline for payment has passed shall be collected through the process outlined in accordance with Part 10 Division 9 of the Municipal Government Act (recovery of taxes not related to land).

Offences

- 13.1 A person who contravenes this Bylaw is guilty of an offence.
- 13.2 A person who is guilty of an offence is liable to a fine in an amount not less than that established in this Section, and not exceeding \$10,000, and to imprisonment for not more than 6 months for non-payment of a fine.

Coming Into Force

- 14. This Bylaw shall come into force and effect on the date it is passed.

GIVEN first reading this 27th day of April, 2018.

Reeve

Chief Administrative Officer

GIVEN second reading this _____ day of _____, 20_____.

Reeve

Chief Administrative Officer

GIVEN third reading this _____ day of _____, 20_____.

Reeve

Chief Administrative Officer

SCHEDULE "A"
Lethbridge County
Business Tax Bylaw 18-014
Businesses Exempt from Additional Tax through the Business Tax

All businesses whose primary business is the following:

- a) All recreational businesses, including golf courses, and riding stables.
- b) Grain and seed storage facilities, brokerages, and elevators, except for condominium grain storage operations.
- c) Grain and oil seed producers.
- d) Hay and forage grass producers.
- e) Vegetable growers.
- f) Potato, sugar beet, and root crop growers.
- g) Market gardens.
- h) Seed growers.
- i) Ranch operations having fewer than 100 animal units.
- j) Hay processing facilities.
- k) Manufacturing businesses.
- l) Research facilities.
- m) Personal service businesses.
- n) Professional and business services.
- o) Trucking and transportation businesses.
- p) Food processing businesses.
- q) Sand and gravel operations and landfill operations.
- r) Feed mills.
- s) Machine dealerships.
- t) Auto wreckers.
- u) Wholesale warehouses.
- v) Retail businesses.
- w) Summer pasture livestock operations.
- x) Auction markets.
- y) Confined feeding operations having fewer animals than the number of animals as per Schedule A-1.
- z) Dog kennels having fewer than 10,000 square feet of floor space.
- aa) Greenhouses.
- bb) Aquaculture operations having fewer than 10 acres of storage ponds.
- cc) Mushroom barns having fewer than 30,000 square feet of floor space.
- dd) Apiaries having fewer than the 500 hives.

SCHEDULE "A-1"
Lethbridge County
Business Tax Bylaw 18-014 – Exemption Thresholds

Category of Livestock	Type of Livestock	Number of Animals
Beef	Cows/Finishers (900+ lbs)	150
	Feeders (450 – 900 lbs)	200
	Feeder Calves (< 550 lbs)	360
Dairy (*count lactating cows only)	Lactating cows* (Lactating cows only – associated Dries, Heifers, and Calves are not counted)	50
Swine (*count sows only)	Farrow to finish*	30
	Farrow to wean*	50
	Farrow only*	60
	Feeders/Boars	500
	Roasters	500
	Weaners	500
Poultry	Chicken – Breeders	1,000
	Chicken – Layer (includes associated pullets)	5,000
	Chicken – Pullets/Broilers	2,000
	Turkeys – Toms/Breeders	1,000
	Turkey – Hens (light)	1,000
	Turkey – Broiler	1,000
	Ducks	1,000
	Geese	1,000
Horses	PMU	100
	Feeders > 750 lbs	100
	Foals < 750 lbs	350
	Mules	100
	Donkeys	150
Sheep	Ewes/rams	300
	Ewes with Lambs	200
	Lambs	1,000
	Feeders	500
Goats	Meat/Milk	200
	Nannies/Billies	400
	Feeders	500
Bison	Bison	150
Cervid	Elk	150
	Deer	200
Wild Boar	Feeders	100
	Sow (farrowing)	50

- When Dairy Replacement Heifers are housed away from the dairy treat as Beef – Feeders
- When Dairy calves are housed away from the dairy treat as Beef – Feeder Calves

SCHEDULE "B"
Lethbridge County
Business Tax Bylaw 18-014 - Animal Equivalent Units for
Confined Feeding Operations and Ranch Operations

Species of Animal	Type of Operation	No. of Animals Equivalent to 1 Animal Unit
Swine *(count sows only to calculate animal units)	Farrow to finish*	0.56
	Farrow to wean*	1.5
	Farrow only*	1.9
	Feeder/Boars	5
	Growers/Roasters	8.5
	Weaners	18.2
Beef	Cows/Finishers (900+ lbs)	1.1
	Feeders (450 – 900 lbs)	2
	Feeder Calves (<550 lbs)	3.6
Poultry	Chicken - Breeders	100
	Chicken – Layer-Liquid (includes associated pullets)	125
	Chickens – Layers (Belt Cage)	150
	Chickens – Layers (Deep Pit)	150
	Chicken – Pullet/Broilers	500
	Turkeys – Toms/Breeders	50
	Turkey – Hens (light)	75
	Turkey - Broilers	100
	Ducks	100
	Geese	50
Horses	PMU	1
	Feeders >750 lbs	1
	Foals < 750 lbs	3.3
	Mules	1
	Donkeys	1.5
Sheep	Ewes/rams	5
	Ewes with Lambs	4
	Lambs	21
	Feeders	10
Goats	Meat/Milk (per Ewe)	6
	Nannies/Billies	10
	Feeders	13
Bison	Bison	1
Cervid	Elk	1.7
	Deer	5
Wild Boar	Feeders	6
	Sow (farrowing)	1.25
Dairy *(count lactating cows only to calculate animal units)	Free Stall – Lactating Cows with all associated dries, heifers, and calves	0.5
	Free Stall – Lactating with Dry Cows only*	.6
	Free Stall – Lactating cows only	.7
	Tie Stall – Lactating cows only	.7
	Loose Housing – Lactating cows only	.7
	Dry Cow	1
	Replacement – Bred Heifers (breeding to calving)	1.15
	Replacements – Growing Heifers (350 lbs to breeding)	1.9
	Calves (<350 lbs)	5