



CITY COUNCIL BYLAW REPORT

Title Bylaw 6430 - Downtown Business Improvement Area Tax Bylaw

Meeting Date January 23, 2024

Submitted By Kerry Boogaart, Property Tax Manager

Summary

Bylaw 6430 authorizes City Council to impose a tax on all businesses within the Downtown Business Improvement Area (DBIA) to fulfill the budget set by the Downtown Lethbridge BRZ board. The budget will be presented to Council in March, and Council's approval by March 30 each year is required for the preparation of the DBIA Tax Rate Bylaw, which is presented in April.

This bylaw establishes the following for all business in the DBIA:

- Classes of business and directs the City Assessor to prepare annual business assessments;
- Exemptions from the DBIA levy;
- Authorization for the City Assessor to create the DBIA assessment and tax roll for a Business Improvement Area tax levy; and
- A minimum tax of \$138 per year.

City Council's adoption of this Bylaw is a requirement under section 20(1) of the *Business Improvement Area Regulation*, Alta. Reg. 93/2016, ("AR 93/2016") (*BIA Regulation*).

Recommendation(s)

That City Council give Second and Third reading to Bylaw 6430, establishing the Downtown Business Improvement Area Bylaw, as presented in Attachment 1.

Financial

City administration costs for business assessments are recovered through the DBIA and are included in its annual budget.

Background and Prior Decisions

Section 32 of the *Business Improvement Area Regulation* (93/2016) deems the existing City of Lethbridge Bylaw 6338, which establishes the Downtown Lethbridge BRZ's area, as a Business Improvement Area Bylaw under the updated Business Improvement Area Regulation. Section 20

(1) states Council must pass a business improvement area tax bylaw if there is a business improvement area within the municipality.

This annual bylaw is presented to Council for Assessment and Taxation to establish the DBIA assessment roll, a required element for setting the mill rate in the annual DBIA Tax Rate Bylaw.

Bylaw 6430 includes a minimum tax of \$138 per year. The minimum tax applies to all businesses within the DBIA that operate or lease space for business purposes for at least one month within the calendar year. The minimum tax applied to the businesses for the DBIA Tax Rate calculation will be determined after the assessment roll is prepared and Council approves the DBIA's annual budget.

Engagement

Discussions with the Director of the DBIA confirm their support for the current methodology of establishing the DBIA's assessment roll and have requested to increase the minimum tax by 15 percent from \$120 to \$138. Public engagement will be conducted as necessary with business owners and assessors if additional information is required for business assessments.

City Council provided first reading on [December 12, 2023](#).

Recommendation and Option(s) Analysis

1. Council must pass a DBIA Tax Bylaw to establish the assessment for the DBIA.

The approval of Bylaw 6430 will establish the tax classes and direct the City Assessor to compile the annual business assessment roll for taxation purposes. All businesses operating within the DBIA will be assessed for taxation purposes.

- *Community/Citizen:*
 - Social – Businesses in the DBIA will have their assessments prepared to calculate their share of the DBIA's tax levy.
 - Economic – The DBIA was established through a petition process to promote a vibrant downtown area that showcases local businesses within the region.
 - Environmental – None.
- *Risk:* BIA Regulations mandate City Council to pass a Business Improvement Tax Bylaw for the DBIA to meet budget requirements.
- *Implementation and Communication Plan:* Upon approval of Bylaw 6430, Assessment and Taxation will update the assessment roll and have it completed by the end of February. The assessment roll, along with the DBIA's budget approved by Council in March, will determine the DBIA tax rate, presented to Council in April.

The DBIA will communicate the dates of its annual budget meeting and general membership meeting to its members. The City will inform the membership about the Council Budget meeting.

Attachment(s)

- 1. Attachment 1: *Bylaw 6430 – 2024 Downtown Business Improvement Area Tax Bylaw*

Approvals	
Department Director:	Darrell Mathews
City Manager:	Lloyd Brierley