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**REPORT TO THE ELECTORAL AREAS COMMITTEE  
MEETING OF WEDNESDAY, OCTOBER 09, 2024**

**SUBJECT Bylaw No. 4631: Tax Exemption (Permissive) Bylaw, 2024**

**ISSUE SUMMARY**

To authorize electoral area permissive tax exemptions for 2025.

**BACKGROUND**

Under Section 391 of the *Local Government Act* (LGA), the Capital Regional District (CRD) may provide tax exemption for eligible properties in an electoral area. A bylaw must be adopted by the CRD Board prior to October 31 each year for the exemption to be processed by BC Assessment for the following year.

The permissive tax exemption requests are evaluated and considered by the CRD Board annually. The deadline is July 31 each year to apply for the tax exemption of the next taxation year. The detailed information regarding the application process and additional resources are available on the CRD website (Appendix D).

**2025 Exemption Requests**

For the 2025 taxation year, there are eight (8) renewals to be considered. Letters of request are included in Appendix B.

The renewals outlined in Table 1 include one leased property used for CRD services (North Galiano Fire Service).

**Table 1: Renewal Requests**

#	PROPERTY	DESCRIPTION
1	Pender Island Golf and Country Club	Granted since 1999 upon request for land and improvements used principally for public athletic or recreation purposes – LGA 391(4)(a); letter of request for 2025 attached
2	Galiano Golf and Country Club	Granted since 1999 upon request for land and improvements used principally for public athletic or recreation purposes – LGA 391(4)(a); letter of request for 2025 attached
3	Magic Lake Property Owners Society	Granted upon request for land only used principally for public athletic or recreation purposes – LGA 391(4)(a); letter of request for 2025 attached
4	Royal Canadian Legion, Branch #239 Pender Island	Granted since 2018 upon request for land and improvements used principally for public athletic or recreation purposes exemption under LGA 391(4)(a); letter of request for 2025 attached.

#	PROPERTY	DESCRIPTION
5	Royal Canadian Legion, Branch #92, Salt Spring Island	Granted since 2020 upon request for land and improvements used principally for public athletic or recreation purpose exemption under LGA 391(4)(a); letter of request for 2025 attached
6	Salt Spring Island Golf and Country Club	Granted since 2020 upon request for land and improvements used principally for public athletic or recreation purpose exemption under LGA 391(4)(a); letter of request for 2025 attached
7	Salt Spring Island Rod & Gun Club	Granted since 2022 upon request for land and improvements used principally for public athletic or recreation purposes – LGA 391(4)(a); letter of request for 2025 attached
8	North Galiano Fire Hall	Granted since 2013 for land and improvements held by the CRD for the fire service – LGA 391(4)(g); this exemption is required given that the new fire hall has been constructed on property that the CRD leases from the North Galiano Fire Protection Society; no letter of request necessary (CRD itself)

**ALTERNATIVES**

*Alternative 1*

The Electoral Areas Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4631, “Tax Exemption (Permissive) Bylaw, 2024”, be introduced and read a first, second and third time; and
2. That Bylaw No. 4631 be adopted.

*Alternative 2*

That this report be referred back to staff for further review.

**IMPLICATIONS**

*Financial Implications*

The following values represent the estimated tax revenue of the proposed exemptions (based on 2024 assessment values and tax rates):

**Table 3: Estimated Total Proposed Tax Exemptions**

PROPERTY	CRD	CRHD	OTHER	TOTAL
Pender Island Golf & Country Club	\$2,589	\$208	\$5,462	\$8,259
Galiano Golf & Country Club	\$2,782	\$220	\$5,861	\$8,863
Magic Lake Property Owners Society	\$6,942	\$162	\$4,473	\$11,577
Royal Canadian Legion, Branch #239 Pender Island (Class 8 Only)	\$439	\$31	\$872	\$1,342
Royal Canadian Legion, Branch #92, Salt Spring Island (Class 8 Only)	\$566	\$39	\$1,342	\$1,947
Salt Spring Island Golf & Country Club	\$5,472	\$645	\$20,875	\$26,992
Salt Spring Island Rod & Gun Club	\$998	\$110	\$3,722	\$4,830
North Galiano Fire Hall	\$2,667	\$236	\$5,580	\$8,843

The estimated exemption under “Other” in the table above accumulates multiple tax jurisdictions, such as School Tax, Provincial Rural Tax, Police Tax, BC Assessment, Municipal Finance Authority, Islands Trust, Salt Spring Island Fire and Water Protection (for Salt Spring Island only).

The exemption from property taxes removes the eligible assessed values on these properties and corresponding tax assessed values from the total taxable assessed value that taxes will be applied to. This results in other ratepayers absorbing the tax revenue from which these properties are exempted.

Staff have consulted with the respective Electoral Area Director on each application received and have compiled this report and recommendation in alignment with support for exemption.

**CONCLUSION**

The CRD has eight (8) permissive tax exemptions to consider for the taxation year 2025; seven (7) by request and one (1) for the North Galiano Fire Hall now located on property that the CRD leases from the North Galiano Fire Protection Society. The proposed Bylaw No. 4631 will grant permissive tax exemption to eight renewal requests in accordance with Section 391 of the *Local Government Act*. Staff have consulted with the respective Electoral Area Director on each application received and have compiled this report and recommendation in alignment with support for exemption.

**RECOMMENDATION**

The Electoral Areas Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4631, “Tax Exemption (Permissive) Bylaw, 2024”, be introduced and read a first, second and third time; and
2. That Bylaw No. 4631 be adopted.

Submitted by:	Varinia Somosan, CPA, CGA, Sr. Mgr., Financial Services / Deputy CFO
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer, GM Finance & IT
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Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

**ATTACHMENTS**

- Appendix A: Bylaw No. 4631: “Tax Exemption (Permissive) Bylaw, 2024” (with Schedule A)
- Appendix B: Correspondence – 2025 Tax Exemption Requests (7)
- Appendix C: BC Assessment Property Classifications
- Appendix D: CRD Permissive Tax Exemption Application Process