

**REPORT TO THE FINANCE COMMITTEE
MEETING OF WEDNESDAY, OCTOBER 4, 2017**

SUBJECT Bylaw 4207: Electoral Area Permissive Tax Exemptions

ISSUE

To authorize Electoral Area permissive tax exemptions for 2018.

BACKGROUND

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

For the 2018 taxation year, there are four (4) requests for permissive tax exemption and one leased property used for regional district services.

New Request(s):

#	PROPERTY	DESCRIPTION
1	Royal Canadian Legion, Branch #239 Pender Island	This is a new request for land and improvements used principally for public athletic or recreation purposes exemption under LGA 391(4)(a); letter of request for 2018 attached.

The Royal Canadian Legion, Branch #239, owns the property at 1344 Mackinnon Rd. The Legion supports community recreation on Pender Island (Island) by organizing events such as the Island's Canada Day and Remembrance Day celebrations and offers the venue at low cost to 14 such community clubs and organizations. The Legion building underwent renovations in 2016, which has triggered the request for tax exemption for the next taxation year. The Legion is requesting this tax exemption for the first time.

Although the total land and improvements are not principally used for community recreation, a portion is. This portion is identified by the assessed value of land and buildings classified under class 8 with BC assessment. Therefore, the portion of the assessed under class 8 does meet the criteria for exemption.

Renewal Request(s):

#	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 2018 attached.
2	Galiano Golf and Country Club	
3	Magic Lake Property Owners Society (MLPOS)	Granted upon request for land only used principally for public athletic or recreation purposes – LGA 391(4)(a); letter of request for 2018 attached
4	North Galiano Fire Hall	Granted in 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.

The CRD Board and BC Assessment have supported all the above exemption requests in past years.

ALTERNATIVES

Alternative 1

That the Finance Committee recommend to the Board:

That Bylaw No. 4207, "Tax Exemption (Permissive) Bylaw, 2017" be introduced and read a first and second time, read a third time and adopted.

Alternative 2

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

IMPLICATIONS

The following values represent the estimated tax revenue of the proposed exemptions (based on 2017 assessment values and tax rates):

	CRD	CRHD	Other
Royal Canadian Legion, Branch #239 Pender Island (Class 8 Only)	\$1,077	\$45	\$1,122
Pender Island Golf & Country Club	\$2,293	\$306	\$5,058
Galiano Golf and Country Club	\$2,216	\$300	\$4,940
Magic Lake Property Owners Society	\$5,702	\$176	\$3,026
North Galiano Fire Hall	\$2,744	\$330	\$5,115

CONCLUSION

The CRD has received tax exemption requests for the Pender Island Golf and Country Club, the Galiano Golf and Country Club, for properties the Magic Lake Property Owners' Society operates and maintains, and a new request for the Royal Canadian Legion, Branch #239 Pender Island.

The CRD Royal Canadian Legion, Branch #239 Pender Island request meets the criteria for the portion of the property that is designated as recreation.

The proposed Bylaw No. 4207 will grant permissive tax exemption in accordance with Section 391 of the *Local Government Act*. Additionally, Bylaw 4207 will renew the permissive tax exemption required for the North Galiano Fire Hall which is now located on property that the CRD leases from the North Galiano Fire Protection Society.

RECOMMENDATION

That the Finance Committee recommend to the Capital Regional District Board:

That Bylaw No. 4207, "Tax Exemption (Permissive) Bylaw, 2017" be introduced and read a first and second time, read a third time and adopted.

Submitted by:	Amber Donaldson, MA, CPA, CMA, A/Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

RL:ngm

Appendix A: Bylaw 4207

Appendix B: Correspondence (4)

Appendix C: BC Assessment Property Classifications