

**REPORT TO THE GOVERNANCE AND FINANCE COMMITTEE
MEETING OF WEDNESDAY, OCTOBER 2, 2019**

SUBJECT **Bylaw 4329: Tax Exemption (Permissive) Bylaw, 2019**

ISSUE

To authorize Electoral Area permissive tax exemptions for 2020.

BACKGROUND

Under Section 391 of the *Local Government Act*, 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 2020 taxation year, there are eight (8) requests for permissive tax exemption, including one property donated to the CRD for community parks with a life interest for the donor and caretaker, and one leased property used for regional district services.

New Request(s):

#	PROPERTY	DESCRIPTION
1	Royal Canadian Legion, Branch #92, Salt Spring Island	This is a new request for land and improvements used principally for public athletic or recreation purpose exemption under LGA 391(4)(a); letter of request for 2020 attached.
2	Salt Spring Island Golf and Country Club	This is a new request for land and improvements used principally for public athletic or recreation purpose exemption under LGA 391(4)(a); letter of request for 2020 attached.

1. The Royal Canadian Legion, Branch #92, owns the property at 120 Blain Rd. The Legion supports community recreation on Salt Spring Island by organizing events such as the Island’s Canada Day and Remembrance Day celebrations and offers the venue at low cost to Island’s community clubs and organizations. The Branch is also designated as emergency muster point and shelter for several of the island’s emergency pods.

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

2. Salt Spring Island Golf and Country Club is a not-for profit society, providing the facility for a variety of recreational activities to the residents and visitors on the island, including golf, tennis, squash and disc golf. The facility is also widely used for charitable events, onsite programs for various community groups and general public, such as The Lady Minto Hospital Foundation fundraising tournament, the ArtSpring Treasure Fair, the Farm to Table Supper, high school “Safe Grad” event, free introductory golf lessons offered, a weekly junior golf program for local youth, and driving range used for high school students physical education.

A new program also provides weekly instruction to Special Olympics athletes on Salt Spring Island (SSI).

Renewal Request(s):

#	PROPERTY	DESCRIPTION
1	Galiano Parks and Recreation Commission: Donated Land—Life Estate Doreen Kennedy	Granted in 2019 upon request for land and improvements used for community park purposes by the Galiano Parks and Recreation Commission exemption under LGA 391(4)(g); letter of request for 2020 attached.
2	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 2020 attached.
3	Galiano Golf and Country Club	
4	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 2020 attached
5	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.
6	Royal Canadian Legion, Branch #239 Pender Island	Granted for the first time in 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 2020 attached.

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

ALTERNATIVES

Alternative 1

That the Governance and Finance Committee and the Electoral Areas Committee recommend to the Capital Regional District Board:

1. That Bylaw No. 4329, “Tax Exemption (Permissive) Bylaw, 2019” be introduced and read a first, second and third time;
2. That Bylaw No. 4329 be 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 2019 assessment values and tax rates):

Estimated Total Proposed Tax Exemptions:

PROPERTY	CRD	CRHD	OTHER	TOTAL
Royal Canadian Legion, Branch #92, Salt Spring Island (Class 8 Only)	\$391	\$32	\$729	\$1,152
Salt Spring Island Golf & Country Club	\$5,900	\$993	\$20,648	\$27,541
Galiano Parks and Recreation Commission—Donated Land—Life Estate Doreen Kennedy	\$2,706	\$308	\$3,792	\$6,806
Pender Island Golf & Country Club	\$2,004	\$250	\$4,355	\$6,609
Galiano Golf and Country Club	\$2,170	\$245	\$4,289	\$6,704
Magic Lake Property Owners Society	\$5,183	\$119	\$2,156	\$7,458
North Galiano Fire Hall	\$2,804	\$293	\$4,643	\$7,740
Royal Canadian Legion, Branch #239 Pender Island (Class 8 Only)	\$321	\$35	\$656	\$1,012

The estimated exemption under other in the table above applies multiple tax categories, like School Tax, Provincial Rural Tax, Police Tax, BC Assessment, Municipal Finance Authority(MFA), Island Trust, SSI Fire and Water Protection (for SSI only).

It should be noted that any exemption will result in increases to the requisition of folios in the same service area.

CONCLUSION

The CRD has received tax exemption requests for the Royal Canadian Legion, Branch #92 Salt Spring Island, the Salt Spring Island Golf and Country Club, Pender Island Golf and Country Club, the Galiano Golf and Country Club, for properties the Magic Lake Property Owners' Society operates and maintains, the Royal Canadian Legion, Branch #239 Pender Island, and the property donated to the CRD as a Community Park.

The proposed Bylaw No. 4329 will grant permissive tax exemption in accordance with Section 391 of the *Local Government Act*. Additionally, Bylaw 4329 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 Governance and Finance Committee and the Electoral Areas Committee recommend to the Capital Regional District Board:

1. That Bylaw No. 4329, "Tax Exemption (Permissive) Bylaw, 2019" be introduced and read a first, second and third time;
2. That Bylaw No. 4329 be adopted.

Submitted by:	Rianna Lachance, CPA, CA, Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Ted Robbins, B.Sc., C. Tech, Acting Chief Administrative Officer

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Appendix A: Bylaw 4329

Appendix B: Correspondence (7)

Appendix C: BC Assessment Property Classifications