

**REPORT TO THE GOVERNANCE AND FINANCE COMMITTEE  
MEETING OF WEDNESDAY, OCTOBER 07, 2020**

**SUBJECT**     **Bylaw No. 4365: Tax Exemption (Permissive) Bylaw, 2021**

**ISSUE SUMMARY**

To authorize Electoral Area permissive tax exemptions for 2021.

**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 2021 taxation year, there are no new requests and eight (8) renewal requests for permissive tax exemption, including one property donated to the CRD for community parks (Galiano Parks and Recreation Service) with a life interest for the donor and caretaker, and one leased property used for regional district services (North Galiano Fire Service).

**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 2021 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 2021 attached
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 2021 attached
4	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 2021 attached.
5	Royal Canadian Legion, Branch #92, Salt Spring Island	Granted for the first time in 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 2021 attached.
6	Salt Spring Island Golf and Country Club	Granted for the first time in 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 2021 attached.

#	PROPERTY	DESCRIPTION
7	Galiano Parks and Recreation Commission: Donated Land—Life Estate Doreen Kennedy	Granted the first time 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 2021 attached.
8	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 these exemption requests in past years.

## **ALTERNATIVES**

### *Alternative 1*

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

1. That Bylaw No. 4365, “Tax Exemption (Permissive) Bylaw, 2020” be introduced and read a first, second and third time;
2. That Bylaw No. 4365 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 2020 assessment values and tax rates):

### **Estimated Total Proposed Tax Exemptions:**

PROPERTY	CRD	CRHD	OTHER	TOTAL
Pender Island Golf & Country Club	\$2,188	\$247	\$2,930	\$5,365
Galiano Golf and Country Club	\$2,363	\$246	\$3,488	\$6,097
Magic Lake Property Owners Society	\$6,233	\$166	\$2,021	\$8,420
Royal Canadian Legion, Branch #239 Pender Island (Class 8 Only)	\$364	\$37	\$441	\$842

PROPERTY	CRD	CRHD	OTHER	TOTAL
Royal Canadian Legion, Branch #92, Salt Spring Island (Class 8 Only)	\$412	\$32	\$536	\$980
Salt Spring Island Golf & Country Club	\$5,236	\$819	\$13,300	\$19,355
Galiano Parks and Recreation Commission—Donated Land—Life Estate Doreen Kennedy	\$2,557	\$267	\$3,563	\$6,387
North Galiano Fire Hall	\$2,772	\$268	\$3,090	\$6,130

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

Property tax exemptions remove the assessed value from the total taxable assessed value in a service or area. This results in allocating the requisition requirement among the remaining assessments in the service area.

### **CONCLUSION**

The CRD has received eight (8) permissive tax exemption requests for taxation year 2021.

The proposed Bylaw No. 4365 will grant permissive tax exemption in accordance with Section 391 of the *Local Government Act*. Additionally, Bylaw 4365 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**

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

1. That Bylaw No. 4365, “Tax Exemption (Permissive) Bylaw, 2020” be introduced and read a first, second and third time;
2. That Bylaw No. 4365 be adopted.

Submitted by:	Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

### **ATTACHMENT(S)**

Appendix A: Bylaw 4365

Appendix B: Correspondence (7)

Appendix C: BC Assessment Property Classifications