



CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Municipal Hall
1229 Esquimalt Road
Esquimalt, B.C. V9A 3P1

Legislation Details (With Text)

File #: 21-458 **Version:** 1 **Name:**
Type: Staff Report **Status:** Passed
File created: 9/17/2021 **In control:** Council
On agenda: 10/4/2021 **Final action:** 10/4/2021
Title: 2022 Permissive Tax Exemptions, Staff Report FIN-21-016

Sponsors:

Indexes:

Code sections:

Attachments: 1. 3045 - Permissive Tax Exemptions Bylaw 2021, 2. Bylaw 3045 Appendix A, 3. Bylaw 3045 Appendix B, 4. Bylaw 3045 Appendix C, 5. Property Tax Exemptions Public Notice

Date	Ver.	Action By	Action	Result
10/4/2021	1	Council	approved	Pass

REQUEST FOR DECISION

DATE: September 29, 2021

Report No. FIN-21-016

TO: Laurie Hurst, Chief Administrative Officer

FROM: Ian Irvine, Director of Financial Services

SUBJECT:

2022 Permissive Tax Exemptions

RECOMMENDATION:

That Council give first, second and third readings to Tax Exemption (Non-Profit Organizations) Bylaw, 2021, No. 3045 as attached to Staff Report FIN-21-016

RELEVANT POLICY:

Council Policy FIN-16 Permissive Tax Exemptions
Community Charter S.224

STRATEGIC RELEVANCE:

This decision does not directly relate to any specific strategic initiative

BACKGROUND:

Section 224 of the *Community Charter* gives Council the authority to grant permissive exemptions from property taxes for a period of up to 10 years. Council must adopt a bylaw and, prior to its adoption, ensure notification of the proposed exemptions is posted on the public notice board and advertised during two consecutive weeks in a publication circulating within the municipality.

On September 20, 2021, the Local Grant Committee made recommendations relating to 2022 permissive tax exemptions and these have been incorporated into the bylaw attached to this staff report. Additionally, public notice of the intent to adopt the bylaw will be published in the Victoria News. A copy of this year's public notice is attached for your information. Once adopted, the bylaw must be provided to the BC Assessment Authority in advance of its October 31, 2021 deadline.

Prior to this year, Council approved permissive tax exemptions covering multiple taxation years. The following not-for-profit organizations were granted exemptions for the 2022 and 2023 taxation years and were not required to submit an application this year:

- City of Victoria
- Esquimalt Anglers Association
- Esquimalt Chamber of Commerce
- Esquimalt Neighbourhood House Society
- Habitat Acquisition Trust
- Island Corridor Foundation
- WITS Program (Rock Solid) Foundation
- PEERS Victoria Resource Society (50% exemption)

ISSUES:

1. Rationale for Selected Option

A total of seven permissive tax exemption applications, including one from a new applicant, were received in advance of the Township's August 31 deadline. All applicants attended the virtual meeting and were available to answer questions from the Committee. Following deliberations, and based on submitted documentation and applicant responses, the Committee made their recommendations. These consist of the following:

the Local Grant Committee recommends the approval of a 75% exemption for the 2022 and 2023 taxation years for:

- Boys and Girls Club Services of Greater Victoria
- Compassionate Resource Warehouse

the Local Grant Committee recommends the approval of a 25% exemption for the 2022 and 2023 taxation years for:

- Island Community Mental Health Association
- Victoria Association of Community Living
- Victoria Operatic Society

the Local Grant Committee recommends the approval of a 25% exemption for the 2022 taxation year only:

Mustard Seed Street Church

the Local Grant Committee recommends the permissive tax exemption application from the following not-for-profit organizations be denied for the 2022 taxation year:

Van Hunh Buddhist Society

2. Organizational Implications

There are no organizational implications of this decision.

3. Financial Implications

Upon approval of these permissive tax exemptions, the identified organizations will not be required to submit property taxes on the portions of land and improvement assessed values which have been exempted during the 2022 taxation year. For those that have exemptions approved for 2023, they will be included in the bylaw

The following table illustrates the actual value of permissive tax exemptions provided by the Township during the 2021 taxation year. Additionally, based on the recommendations of the Local Grant Committee, the estimated municipal and total taxes that would be exempted for these during 2022 are included. The estimated exemption amounts for 2023 and 2024 are also disclosed as required under the *Community Charter*.

	Municipal Taxes	Total Taxes
2021 (Actual)	\$ 56,174	\$ 104,413
2022 (Estimated)	\$ 67,077	\$ 124,070
2023 (Estimated)	\$ 68,418	\$ 126,551
2024 (Estimated)	\$ 69,786	\$ 129,082

4. Sustainability & Environmental Implications

There are no sustainability or environmental implications of this decision.

5. Communication & Engagement

Under section 94 of the *Community Charter*, Council's intention to adopt a permissive tax exemption bylaw is required to be made public. In accordance with these requirements, the notice of intent is scheduled to be published in the Victoria News for two consecutive weeks prior to adoption.

Upon adoption, copies of the bylaw will be provided to the BC Assessment Authority so that they may calculate and apply the exemptions for the 2022 taxation year. As well, all permissive tax exemption

applicants will be notified in writing whether their application has been approved. They will also be notified that, in accordance with Council Policy FIN-16 Permissive Tax Exemptions, if they have been granted an exemption they would be ineligible to apply for a 2022 local grant.

ALTERNATIVES:

1. That Council give first, second and third readings to Tax Exemption (Non-Profit Organizations) Bylaw, 2021, No. 3045 as attached to Staff Report FIN-21-016.
2. That Council amend and give first, second and third readings to Tax Exemption Bylaw, 2021, No. 3045 as amended.