



CORPORATION OF THE TOWNSHIP OF ESQUIMALT

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Date	Ver.	Action By	Action	Result
10/2/2017	1	Council		

REQUEST FOR DECISION

DATE: September 20, 2017 Report No. FIN-17-019

TO: Laurie Hurst, Chief Administrative Officer

FROM: Ian Irvine, Director of Financial Services

SUBJECT:
2018 Permissive Tax Exemptions

RECOMMENDATION:
That Council give first, second and third readings to the Tax Exemption (Non-Profit Organizations) Bylaw, 2017, No.2907

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 objective.

BACKGROUND:
Section 224 of the Community Charter gives Council the authority to grant permissive exemptions from property taxes for periods 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 within a newspaper circulating within the municipality.

On September 12, 2017 the Local Grant Committee made recommendations relating to the 2018 permissive tax exemptions, for approval by Council. These recommendations have been incorporated into the bylaw attached to this staff report. Additionally, public notice of the intention 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, this bylaw must be provided to the BC Assessment Authority in advance of its October 31, 2017 deadline.

ISSUES:

1. Rationale for Selected Option

A total of 14 permissive tax exemption applications were received in advance of the August 31, 2017 deadline. While the Council Policy criteria state that none of applicants were required to attend the meeting, three representatives did appear to speak to the Committee if requested.

The following not-for-profit organizations made permissive tax exemption applications and the Local Grant Committee has recommended the approval of a 100% exemption for the 2018 taxation year:

- Esquimalt Neighbourhood House Society
- Island Corridor Foundation
- Boys and Girls Club Services of Greater Victoria
- Compassionate Resource Warehouse
- Esquimalt Anglers Association
- City of Victoria

The following not-for-profit organizations made permissive tax exemption applications and the Local Grant Committee has recommended the approval of a 100% exemption for the 2018 taxation year and also wish to request that the organization give a presentation to Council regarding the services they provide within the community:

- Victoria Association of Community Living
- WITS Program (Rock Solid) Foundation

The following not-for-profit organizations made permissive tax exemption applications and the Local Grant Committee has recommended the approval of a 50% exemption for the 2018 taxation year:

- Habitat Acquisition Trust
- PEERS Victoria Resource Society
- Island Community Mental Health Association
- Victoria Operatic Society
- The Mustard Seed Street Church

The Local Grant Committee recommends the application from the following not-for-profit organization be denied for the 2018 taxation year:

- Society of Saint Vincent de Paul of Vancouver Island

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 which have been exempted for their applicable properties during the 2018 taxation year.

The following information illustrates the actual value of permissive tax exemptions provided by the Township during the 2017 taxation year. Additionally, based on the properties listed in the Local Grant Committee recommendations, the estimated municipal and total taxes that would be exempted for these during 2018 are identified. The estimated exemption amounts for 2019 and 2020 are also included as their disclosure is a requirement under the Community Charter.

The following chart represents permissive tax exemptions relating to all recommended recipient organizations. There is a significant difference between the estimates and the 2017 actual exemptions granted. This is due to no 2018 application being received from the Esquimalt Legion and the recommended reduction of the permissive exemptions for six applicants.

	Municipal Taxes	Total Taxes
2017 (Actual)	\$ 128,327	\$ 215,350
2018 (Estimated)	\$ 76,026	\$ 127,320
2019 (Estimated)	\$ 77,547	\$ 129,867
2020 (Estimated)	\$ 79,098	\$ 132,464

4. Sustainability & Environmental Implications

There are no sustainability or environmental implications of this decision.

5. Communication & Engagement

Under section 94 of the Community Charter, municipalities are required to make public Council's intent to pass the permissive tax exemption bylaw. In accordance with the requirements, the notice of intention to pass the bylaw is scheduled to be published in the Victoria News for two consecutive weeks in October.

Additionally, upon adoption, copies of the bylaw will be provided to the BC Assessment Authority so that they may calculate and apply the exemptions during the 2018 taxation year.

Subsequent to adoption of the bylaw, all permissive tax exemption recipients will be notified in writing whether their application has been approved. Within this correspondence they will be notified that, in accordance with Council Policy FIN-16 Permissive Tax Exemptions, if they are granted an exemption

they will be ineligible to apply for a 2018 local grant.

ALTERNATIVES:

1. That Council give first, second and third readings to the Tax Exemption (Non-Profit Organizations) Bylaw, 2017, No. 2907.
2. That Council amend the Tax Exemption Bylaw and give first, second and third readings of Bylaw No. 2907 as amended.