

Permissive Property Tax Exemptions 2020-2022



Background - Legislation

- Statutory exemptions – automatically applied by BCA
 - Schools, hospitals, places of worship, provincial/federal properties
- Permissive exemption – may be granted by bylaw
 - Properties of non-profit organizations which Council considers are used for a purpose that is directly related to the purposes of the organization
 - Exemptions for portions of a property can be applied
 - All property taxes are exempted – City and other agencies
- Property Tax Class 3 Supportive Housing
 - Similar to a statutory exemption in that no taxes payable



Background - City Policy

- Establishes categories and parameters for eligibility
 - Based on principal use of the property, not the charitable service of the organization as a whole
 - Categories
 - Special needs and supportive housing
 - Social services
 - Arts and cultural facilities
 - Educational facilities
 - Athletic or recreational facilities
 - Places of worship
 - Rail/track
 - 3-year approval cycle
 - Cap of 1.6% of prior year's municipal taxes



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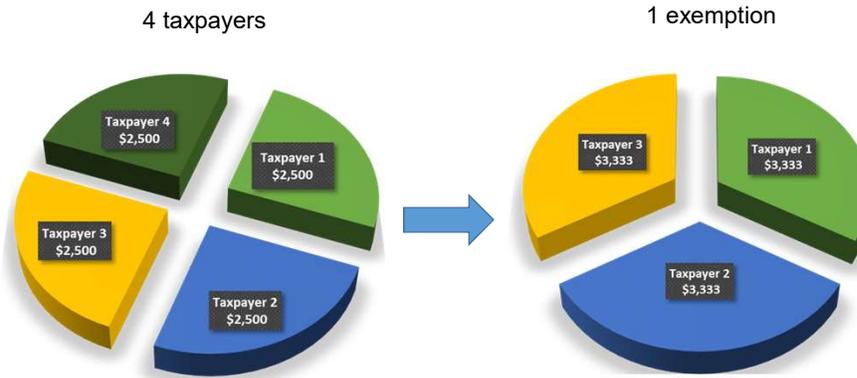
Budget and Permissives

- City's budget:
 - Determined by totaling cost of providing all programs and services
 - Amount of property taxes needed is the residual amount required after other revenues have been taken into account
- Granting permissive exemptions:
 - Does not impact the City's budget
 - Does not result in a revenue loss to the City
 - Shifts the burden of paying taxes to non-exempt properties



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Permissives - Shifting of Tax Burden



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Applications for 2020-2022

- 124 renewal applications
- 6 new applications
 - 1 recommended for approval
 - 5 recommended to be declined



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Canadian Legion Trafalgar Pro Patria Branch No. 292

- June 27 - Council referred discussion on tax relief for the Legion to this meeting
- Legion has applied for full exemption of the property – both class 6 and 8
- BCA has confirmed that it is up to each municipality to determine which portions of the property could be exempted, keeping in mind section 25 of the *Community Charter*
- The application does not comply with City Policy
- Value of exemption:
 - Class 8 \$25,566 (\$17,605 City portion)
 - Class 6 \$78,114 (\$50,452 City portion)



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Recommendations

Staff recommendations align with City's Policy.

That Council:

1. Direct staff to bring forward a 2020-2022 permissive tax exemption bylaw for properties as follows:
 - a) Renewal Applications Recommended for Approval (Appendix A)
 - b) New Application Recommended for Approval: (Appendix B)
 - i. The Salvation Army, folio 12814031, 943 Fullerton Ave
 - c) City of Victoria Exemptions Recommended for Approval (Appendix D)



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