
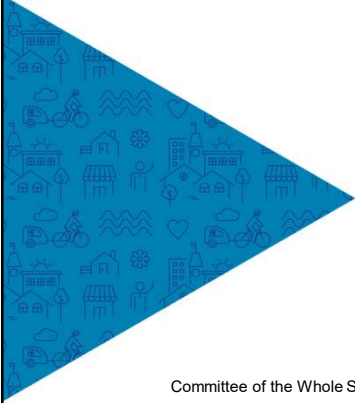


2023 | CITY OF VICTORIA | Finance Department

# Permissive Property Tax Exemptions 2024-2025


Committee of the Whole September 28, 2023

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## 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



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## 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
    1. Special needs and supportive housing – 100% exemption
    2. Social services – 100% exemption
    3. Arts and cultural facilities – 100% exemption
    4. Educational facilities – now statutorily exempt and permissive exemptions no longer needed
    5. Athletic or recreational facilities – 50% exemption
    6. Places of worship – 100% exemption
    7. Rail/track – 100% exemption
  - 3-year approval cycle
  - Cap of 1.6% of municipal taxes
  - Leased properties not eligible



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## Budget and Permissive Exemptions

- 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

4



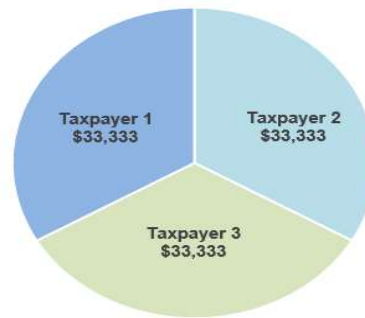
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## Permissive Exemptions - Tax Burden Shift

- 4 taxpayers



- 3 taxpayers



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5

## Applications for 2024-2025

All recommendations are based on Policy criteria:

- 10 renewal applications
- 12 new applications
  - 5 recommended for approval
  - 7 not recommended for approval

6



6

## Recommendations

### That Council:

- Direct staff to bring forward a 2024-2025 permissive tax exemption bylaw for properties as follows:
  - a. Renewal Applications Recommended for Approval (Report Table 1)
  - b. New Applications Recommended for Approval and Previous Exemption Correction (Report Table 2)

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