

REQUEST FOR DECISION

TO: Council **MEETING DATE:** October 2nd, 2024

FROM: David Doulgas, Director of Financial Services & Information Technology

SUBJECT: **2025 Permissive Property Tax Exemption Bylaw No. 624, 2024**

FILE NO: 1970-2025

RECOMMENDATION

That Council give first, second, and third reading to 2025 Permissive Tax Exemption Bylaw No. 624, 2024.

PURPOSE

This report introduces the 2025 Permissive Property Tax Exemption Bylaw No. 624, 2024 for Council's consideration and seeks approval for the proposed tax exemption pursuant to Section 224 of the *Community Charter* for the 2025 taxation year.

OPTION

1. Defer Bylaw readings and request further information from the proposed permissive tax exemption applicants.

DISCUSSION

Summary

Section 224 of the *Community Charter* identifies situations in which Council may exercise discretion in granting partial or full exemptions from taxation for specific properties. These exemptions must be adopted by bylaw no later than October 31 of the year preceding the exemption.

The *Community Charter* provides for permissive tax exemptions for up to a ten-year period. Staff are recommending that Council endorse a one-year exemption for 2025. Earlier this year, a committee comprising three council members was established to review the current permissive property tax exemption policy. The committee convened multiple times over the summer, and the final draft of the policy is set to be presented to the Council this fall. The new policy will be applicable to the 2026 Permissive Property tax exemption.

The properties listed in the bylaw will be exempt from property taxes from all government agencies. Applications for permissive property tax exemptions are received prior to May 31st each year and reviewed by staff.

The 2025 permissive property tax exemptions have been categorized into four areas:

Place of Worship:

The policy defines this as land that is considered reasonably necessary in connection with the public worship or for land or improvements used or occupied by a religious organization, as tenant or licensee, for the purpose of public worship or for the purposes of a hall that Council considers is necessary to land or improvements so used or occupied or a residence (Manse) and ancillary buildings located on the same property as the church, and the land upon which they stand.

The District of Sechelt received applications for 10 exemptions in this category this year. The same 10 organizations applied for and received exemption for the 2024 property taxes. Eight of the applications relate to an area of land that is considered reasonably necessary in connection with public worship, such as parking lots, a residence or other buildings. Two of the applications are for childcare and/or preschool activities, one of them in buildings separate from the church. These properties have been granted permissive property tax exemptions for at least the past five years.

For places of worship the estimated 2025 municipal property tax exemption and the total property tax exemption from all government agencies including the District of Sechelt is \$28,052 and \$58,649, respectively.

Community Services:

The policy defines this as land and improvements that are owned or held by charitable, philanthropic, or other not for profit corporation, and that Council considers is used for a purpose that is directly related to the needs of the residents of the District of Sechelt, or the Sunshine Coast, where such services are regional in nature.

The District of Sechelt has received applications for 26 exemptions in this category. The same 26 organizations applied for and received exemption for the 2024 property taxes.

For agencies providing social housing the estimated 2025 municipal property tax exemption and the total property tax exemption from all government agencies including the District of Sechelt is \$113,187 and \$289,565, respectively.

Recreational Facilities:

The policy defines this as land and improvements owned or held by an athletic or service club or association. This property may be used as a public park, recreation ground, or for public athletic or recreational purposes.

The District of Sechelt has received 9 applications for exemptions in this category. The same nine organizations applied for and received exemption for the 2024 property taxes. For recreational facilities the estimated 2025 municipal property tax exemption and the total property tax exemption from all government agencies including the District of Sechelt is \$97,570 and \$225,454, respectively.

Municipal Property:

The policy defines this as land and improvements that are owned or held by a municipality, regional district or other local authority, and that Council considers is used for a purpose of the local authority and would be statutorily exempt if not for another use.

There are four properties that meet the criteria for Municipal Property. The same four properties were exempted in 2024. For municipal property the estimated 2025 municipal property tax exemption and the total property tax exemption from all government agencies including the District of Sechelt is \$27,101 and \$66,564, respectively.

POLICY AND BYLAW IMPLICATIONS

Community Charter

Division 7 - Permissive Exemption

224

- (1) A council may, by bylaw in accordance with this section, exempt land or improvements, or both, referred to in subsection
- (2) from taxation under section 197 (1) (a) [*municipal property taxes*], to the extent, for the period and subject to the conditions provided in the bylaw.

SUSTAINABILITY PLAN IMPLICATIONS

1. Social Sustainability and Community Well Being

FINANCIAL IMPLICATIONS

The total estimated value of **municipal** permissive tax exemption is

- 2025 \$265,909

The total permissive exemption to **all property tax authorities**:

- 2025 \$640,232

COMMUNICATIONS

As per section 227 of the *Community Charter*, Council must give notice of this proposed bylaw in accordance with section 94 for public notice. Publication of this notice will be in the local newspaper for two consecutive weeks following three readings of the bylaw.

Respectfully submitted,

David Douglas

Director of Financial Services & Information Technology

Attachments:

- 1 - 2025 Permissive Property Tax Exemption Listing
- 2 - Social Housing Estimated 2025 Municipal Tax and Total Tax Exemption