



The Corporation of the District of Central Saanich

REGULAR COUNCIL REPORT

For the Regular Council meeting on Monday, October 7, 2024

Re: 2025 Permissive Tax Exemptions

RECOMMENDATION(S):

1. *That the 2025 permissive tax exemption renewal process with no change to Tax Exemption Bylaws No. 2157 and 2158 be approved.*
2. *That Central Saanich Tax Exemption Bylaw 2210, 2024 be introduced and read a first time and second time.*
3. *That Central Saanich Tax Exemption Bylaw 2210, 2024 be read a third time.*
4. *That Central Saanich Tax Exemption Bylaw 2203, 2024 be introduced and read a first time and second time.*
5. *That Bylaw 2203, 2024 be read a third time.*
6. *That Central Saanich Tax Exemption Bylaw 2203, 2024 be excluded from any 1.5% of tax revenues policy reductions.*

PURPOSE:

To consider Permissive Tax Exemption Bylaws for non-profit organizations and places of public worship. In addition, consider an exemption of WSÁNEĆ Lands Trust Society lands for ten years.

BACKGROUND:

Under Section 224 of the Community Charter, Council may exempt land or improvements, or both, from taxation through a bylaw for a period not exceeding 10 years.

Exemption can be provided for the following:

- Charitable, philanthropic, or other not for profit corporation
- Used for a purpose the is directly related to the purpose of the District
- Owned by a local authority and used for the purpose of the authority
- Used in providing municipal service under a partnering agreement
- Used for the purpose of public worship
- Seniors homes
- Independent schools
- Athletic or service club or association and used as a public park or recreation ground or for public athletic or recreational purposes
- Private hospital under the hospital act

Also under Permissive Exemption in the Community Charter are Section 225, Partnering, heritage, riparian and other special exemption authority, and Section 226 Revitalization tax exemptions. The

District does not currently have any exemptions under these sections.

There is no obligation under the Charter to provide exemptions and Council has the discretion to provide a full, partial, or no exemption for each property. Council adopted a Permissive Tax Exemption Policy (attached) which includes the provision that the total Permissive Tax Exemptions approved in the current year for the subsequent year will not exceed 1.5% of the current year's total budgeted property tax requisition.

DISCUSSION:

As per our Permissive Tax Exemption Policy, Council will consider new applications or renewals for permissive tax exemptions annually, or as required according to Bylaw. Full applications will be required by applicants for a new bylaw term. Renewal years during the term of a bylaw will require a short form application to ensure the organization and use of the property remain consistent with the bylaw approval.

Tax Exemption Bylaws No. 2157 and 2158

In October of 2023, Council adopted Tax Exemption Bylaws No. 2157 and 2158 (attached), which provided exemptions for non-profit organizations and places of public worship for the 2024, 2025, 2026 and 2027 tax years. Full applications were received for 2024 as it was a new bylaw term. Applicants submitted sufficient information under the policy given their varying size and sophistication to be compliant with the policy requirements and eligibility criteria. 2025 is a renewal year and The District received renewal applications from all properties exempted as part of the 2024 application process. No significant changes in operations or property use have been identified in the renewal applications. The total estimated value of statutory and permissive tax exemption requests for 2025 is \$572k of which \$302k represents municipal taxes.

Tax Exemption Bylaw No. 2210

A new application from BC Parks Foundation (attached) was received this year for Council consideration. The organization submitted sufficient information under the policy to be compliant with the policy requirements and eligibility criteria. The total estimated value of permissive tax exemption requests for 2025 is \$7,390 of which \$4,162 represents municipal taxes. As this is a new application, Tax Exemption Bylaw No. 2210 sets a new bylaw term to provide exemptions for the 2025, 2026 and 2027 tax years to coincide with renewal of Tax Exemption Bylaws No. 2157 and 2158.

Tax Exemption Bylaw No. 2203

The WSÁNEĆ Lands Trust Society (WLTS) purchased ten adjoining properties known as ȪIKEL lands, effective July 28, 2023. The lands are beside and to the south of the District's property also known as Maber flats off Wallace Drive. The District is working together with the WLTS on the management of adjacent ȪIKEL lands and District parcel.

There is no ability for the WLTS to have any other tax status that reflect the ecological gift status of the lands and indirect First Nations ownership, or the intended purpose to restore the property to traditional uses. These lands owned by the Society are currently taxed as Class 1 residential, as BC Assessment Authority does not have a separate assessment class for lands owned by, or on behalf of, First Nations. The lack of BC Assessment status leaves the WLTS with a full, class one assessment and resulting tax bill, and the only available tool to exempt taxation is the District's legislated authority related to Permissive Tax Exemptions.

WLTS has submitted appropriate and sufficient information under the District's policy and are eligible for exemption (attached). A specific ten-year bylaw is recommended for these lands given their ecological status and ownership by a First Nations Society. The Tax Exemption Bylaw No. 2203 provides exemptions for the 2025-2034 tax years. The total estimated value of statutory and permissive tax exemption request for 2025 is \$29,477.

A long-term exemption facilitates working together, strengthening the relationship between the WSÁNEĆ Leadership Council and WLTS and finding solutions to foster actions of reconciliation.

Permissive Tax Exemption Policy

Our Permissive Tax Exemption Policy has a maximum limit of 1.5% of total taxation based on the prior year (2024) actual tax rates and assessment values. No reduction of exemptions is required for 2025 as actual exempted taxes in 2024 was 1.31% of total taxation. With the additional applications, actual exempted taxes in 2024 would have been 1.34% of total taxation.

As the District may receive additional exemption requests in the future, it is possible that the total exemptions would exceed the 1.5% of revenue limit, and a reduction may be required to remain under the policy limit. If so, staff recommend that Tax Exemption Bylaw No. 2203 for the WLTS properties be excluded from the potential reduction, again due to the use and ownership.

Staff are recommending all applicants for approval.

OPTIONS:

Option 1 (recommended):

1. *That a status quo approach to the 2025 permissive tax exemption renewal process with no change to Tax Exemption Bylaws No. 2157 and 2158 be approved.*
2. *That Central Saanich Tax Exemption Bylaw 2210, 2024 be introduced and read a first time and second time.*
3. *That Central Saanich Tax Exemption Bylaw 2210, 2024 be read a third time.*
4. *That Central Saanich Tax Exemption Bylaw 2203, 2024 be introduced and read a first time and second time.*
5. *That Bylaw 2203, 2024 be read a third time.*
6. *That Central Saanich Tax Exemption Bylaw 2203, 2024 be excluded from any 1.5% of tax revenues policy reductions.*

Option 2:

Provide staff with alternative direction.

CONCLUSION:

All applicants have submitted appropriate and sufficient information under the District's policy and are considered eligible for exemption. Total exemptions are within the 1.5% of taxation maximum. Tax Exemption Bylaws No. 2157 and 2158 should not be changed and Tax Exemption Bylaw No. 2210 is recommended for 2025, 2026 and 2027 tax years to coincide with Tax Exemption Bylaws No. 2157 and 2158. Tax Exemption Bylaw No. 2203 is a specific ten-year bylaw that is recommended for the WLTS lands given their ecological status and ownership by a First Nations Society.

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ATTACHMENTS:

Appendix A: Bylaw No. 2157, 2023 and 2158, 2023

Appendix B: Bylaw No. 2210, 2024

Appendix C: Bylaw No. 2203, 2024

Appendix D: Permissive Tax Exemption Application - WSÁNEĆ Lands Trust Society

Appendix E: Permissive Tax Exemption Application - BC Parks Foundation

Appendix F: 11.FIN Permissive Tax Exemption Policy