

# Request for Decision



To: Regular Meeting  
From: Financial Services  
Date: August 12, 2019  
Subject: Annual Permissive Tax Exemption Bylaw No. 2061  
Recommendation: **THAT the Committee of the Whole recommends to Council to give first three readings of Bylaw No. 2061 "2020 Permissive Tax Exemptions" at the September 3rd, 2019 Regular Meeting.**

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## Background

Section 224 of the Community Charter provides the authority for Council to grant tax exemptions for other local authorities, non-profit organizations, and property owned by places of worship which is not exempt under other statutory provisions.

The following properties classified as places of worship are eligible for exemption under Section 224 (2) (f), (g) and (h) of the Community Charter:

- The United Church - 920 Central Avenue
- The Pentecostal Church - 2826 75<sup>th</sup> Avenue
- The Catholic Church - 7249 9<sup>th</sup> Street
- The Anglican Church - 7252 7<sup>th</sup> Street
- The Mennonite Brethren Church - 7048 Donaldson Drive
- Christ Lutheran Church - 7328 19<sup>th</sup> Street
- Grand Forks Christian Centre - 7525 4<sup>th</sup> Street
- Jehovah's Witnesses Church - 7680 Donaldson Drive

These properties receive a statutory tax exemption for the church building and footprint, but not for residences or surrounding land. As in previous years, this bylaw proposes exempting a limited area adjacent to each church building, as shown in the attached bylaw schedules. The value of land exempted ranges from 2-15% of the total assessed value, depending on the size of the property. The estimated value of 2020 municipal taxes for the above permissive exemptions is \$1,027.

The following property is owned by the City, and subject to a lease agreement requiring the City to pay property taxes if an exemption is not available. Granting this property a permissive exemption will save the City that portion of taxes which is due to other authorities.

The Baptist Church – 7850 2<sup>nd</sup> Avenue – eligible under 224 (2) (g):

In addition, BC Assessment has recommended that the bylaw include the property leased by the Regional District of Kootenay Boundary at 8120 Donaldson Drive (former SPCA Building) which is eligible under Section 224 (b).

The bylaw will also exempt certain non-profit organizations under Section 224 (2) (h) of the *Community Charter* as follows:

Name	Estimated 2020 Tax Amount
Grand Forks Curling Club - 7230 21 <sup>st</sup> Street	\$12,080
Grand Forks Masonic Building Society - 366 Market Avenue	483
Sunshine Valley Child Care Society - 978 72 <sup>nd</sup> Avenue	2,092
Slavonic Seniors Citizens - 686 72 <sup>nd</sup> Avenue	698
Hospital Auxiliary Thrift Shop - 7239 2 <sup>nd</sup> Street	2,473
Royal Canadian Legion - 7353 6 <sup>th</sup> Street	3,680
Phoenix Manor Society - 876 72 <sup>nd</sup> Avenue	3,335
Boundary Lodge – 7130 9 <sup>th</sup> Street	1,286

The permissive exemptions for non-profit organizations apply to the full property value and represent an estimated \$26,127 in foregone municipal tax revenues.

The total amount of exemptions proposed here represents 0.7% of estimated property tax revenues for 2020, and equates to \$9 annually per property.

This tax exemption bylaw is planned for first three readings on September 3rd and final reading on September 16<sup>th</sup> 2019, and **must be adopted by October 31, 2019**. As per legislation, the City will be advertising the tax exemption notice for two consecutive issues of the Grand Forks Gazette in late August.

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## Benefits or Impacts

### General

Granting tax exemption to these applicants assists the organizations in continuing the operation of their facilities and in providing services to the residents of the community.

## Strategic Impact



### Fiscal Responsibility

- The above tax exemptions will reduce taxes collectible by the City by an estimated \$27,154. The tax savings on City owned leased properties will be approximately \$4,940.

## Policy/Legislation

Section 224 of the Community Charter

## Attachments

2020 Annual Tax Exemption Bylaw No. 2061

Applications received from non-profit organizations for permissive tax exemption

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## Recommendation

**THAT the Committee of the Whole recommends to Council to give first three readings of Bylaw No. 2061 “2020 Permissive Tax Exemptions” at the September 3rd, 2019 Regular Meeting.**

## Options

1. THAT Committee of the Whole accepts the recommendation.
2. THAT Committee of the Whole does not accept the recommendation.
3. THAT Committee of the Whole refers the matter back to staff for further information.