

Request for Decision



To: Regular Meeting
From: Financial Services
Date: September 3, 2019
Subject: Annual Permissive Tax Exemption Bylaw No. 2061
Recommendation: **THAT Council gives first three readings of Bylaw No. 2061 "2020 Permissive Tax Exemptions"**

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 75th Avenue
- The Catholic Church - 7249 9th Street
- The Anglican Church - 7252 7th Street
- The Mennonite Brethren Church - 7048 Donaldson Drive
- Christ Lutheran Church - 7328 19th Street
- Grand Forks Christian Centre - 7525 4th 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 2nd 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 st Street | \$12,080 |
| Grand Forks Masonic Building Society - 366 Market Avenue | 483 |
| Sunshine Valley Child Care Society - 978 72 nd Avenue | 2,092 |
| Slavonic Seniors Citizens - 686 72 nd Avenue | 698 |
| Hospital Auxiliary Thrift Shop - 7239 2 nd Street | 2,473 |
| Royal Canadian Legion - 7353 6 th Street | 3,680 |
| Phoenix Manor Society - 876 72 nd Avenue | 3,335 |
| Boundary Lodge – 7130 9 th 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 was introduced to the Committee of the Whole on August 12th and is presented here for first three readings.

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

Recommendation

THAT Council gives first three readings of Bylaw No. 2061 “2020 Permissive Tax Exemptions”

Options

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

Report Approval Details

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| Document Title: | Permissive Tax Exemption Bylaw 2061.docx |
| Attachments: | - By2061 - 2019 Annual Tax Exemption.pdf - Combined 2020 applications.pdf |
| Final Approval Date: | Aug 14, 2019 |

This report and all of its attachments were approved and signed as outlined below:

Diane Heinrich - Aug 14, 2019 - 2:06 PM