

# Report

Date September 26, 2023

File: 1970-30

Subject Permissive Tax Exemption Bylaw No. 3928, 2023, for first three readings

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## PURPOSE

To introduce Permissive Tax Exemption Bylaw No. 3928, 2023, which proposes to exempt certain properties in 2024 from municipal property taxes.

## BACKGROUND

Section 224 of the *Community Charter* provides Council with the authority to exempt, by bylaw, certain lands, improvements, or both from municipal property taxes. North Cowichan has a Permissive Tax Exemption Policy (Attachment 1) that provides guidance to Council to determine which properties should be granted permissive tax exemptions.

The draft 2024 Permissive Tax Exemption Bylaw No. 3928, 2023 (Attachment 2), if adopted, would total \$601,213 in tax revenue forgone (based on 2023 tax rates and 2023 assessments).

Permissive Tax Exemption applications were brought to the Committee of the Whole on September 12, 2023, for consideration, where staff were directed to draft a new bylaw for a 1-year term with permissive tax exemptions as identified in the draft minutes (Attachment 3).

## DISCUSSION

North Cowichan received 68 applications that were eligible for consideration of permissive tax exemptions for 2024. Of the 68 applications brought forward for consideration, 66 were approved for a one-year tax exemption. The bylaw that is before Council includes the approved 66 applications, which provides exemptions for 147 properties, which now includes 6454 Ford Road (leased building on the new RCMP land), for one year (2024) as directed by the Committee of the Whole.

Prior to adopting the bylaw, public notice must be given in accordance with Sections 227 and 94 of the *Community Charter* and [Public Notice Bylaw No. 3906, 2023](#). Council has delegated its duty to give notice of permissive tax exemptions to the Financial Officer under section 2 of [Delegation of Authority Bylaw No. 3814, 2021](#).

## OPTIONS

1. **(Recommended Option)** Give the bylaw first three readings as presented.

THAT Council give Permissive Tax Exemption Bylaw No. 3928, 2023 first, second and third reading.

- Reducing expenses by providing permissive tax exemptions to these organizations allows the funds to be used to deliver services that provide community good for the Municipality of North Cowichan's residents and businesses.

2. Amend the bylaw to add or remove a permissive tax exemption. This option requires three separate motions.
  - (1) THAT Council give Permissive Tax Exemption Bylaw No. 3928, 2023 first and second reading.
  - (2) THAT Council amend Schedule [Council to identify Schedule A or B] Permissive Tax Exemption Bylaw No. 3928, 2023 by [Council to identify which properties they are removing or, if they are adding a property, include the name of the organization, address and the extent of the exemption]
  - (3) THAT Council give Permissive Tax Exemption Bylaw No. 3928, 2023, third reading as amended.

**IMPLICATIONS**

To be granted an exemption from municipal taxes for 2024, a property must be included in the Permissive Tax Exemption Bylaw, which must be provided to BC Assessment before October 31, 2023.

BC Assessment advised staff that the property located at 6454 Ford Road would be taxable in 2024 unless exempted by Council.

If Council wishes to amend the bylaw, a special Council meeting may be required to meet the legislated deadline of October 31, 2023.

**RECOMMENDATION**

THAT Council give Permissive Tax Exemption Bylaw No. 3928, 2023 first, second and third readings.

Report prepared by:



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**Approved to be forwarded to Council:**



Ted Swabey  
Chief Administrative Officer

Attachment(s):

- (1) Permissive Tax Exemption Policy
- (2) Permissive Tax Exemption Bylaw No. 3928, 2023
- (3) Excerpt from Sep 12/23 Committee of the Whole Minutes