

Report

Date October 2, 2024

File:

Subject Permissive Tax Exemption Bylaw No. 3972, 2024

PURPOSE

To introduce Permissive Tax Exemption Bylaw No. 3972, 2024, for first three readings which proposes to exempt certain properties in 2025, and future years, from municipal property taxes.

BACKGROUND

Section 224 of the *Community Charter* provides Council with the authority to exempt certain lands, improvements, or both, by law, 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.

If adopted, the draft 2025 Permissive Tax Exemption Bylaw No. 3972, 2024 (Attachment 2) would total \$648,557 in tax revenue forgone (based on 2024 tax rates and 2024 revised assessments).

Permissive Tax Exemption applications were brought to the Committee of the Whole on September 10, 2024, for consideration, where staff were directed to draft a bylaw for a ten-year term for Places of Worship and a three-year term for all other societies and organizations with permissive tax exemptions as identified in the draft minutes (Attachment 3).

DISCUSSION

North Cowichan received 65 applications eligible for consideration of permissive tax exemptions for 2025 and future years. Of the 65 applications, 64 have previously been granted exemptions by Council through bylaw. The only new applicant is the Cowichan Valley Church of God in Christ, formerly the Christian Science Church, which has received exemptions in prior years.

The bylaw before Council includes the 65 approved applications, which provide exemptions for 157 properties.

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 the [Delegation of Authority Bylaw No. 3814, 2021](#).

OPTIONS

1. **(Recommended Option)** THAT Council give Permissive Tax Exemption Bylaw No. 3972, 2024 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 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. 3972, 2024 first and second reading.
 - (2) THAT Council amend Schedule [Council to identify Schedule A or B] Permissive Tax Exemption Bylaw No. 3972, 2024 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. 3972, 2024, third reading as amended.

IMPLICATIONS

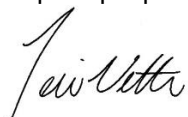
To be granted an exemption from municipal taxes for 2025 and future years, a property must be included in the Permissive Tax Exemption Bylaw, which must be provided to BC Assessment before October 31, 2024.

If Council wishes to amend the bylaw, a special Council meeting may be required to meet the legislated deadline of October 31, 2024.

RECOMMENDATION

THAT Council give Permissive Tax Exemption Bylaw No. 3972, 2024 first, second and third readings.

Report prepared by:



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Approved to be forwarded to Council:



Ted Swabey
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Attachments:

- (1) Permissive Tax Exemption Policy
- (2) 2025 Permissive Tax Exemption Bylaw No. 3972, 2024
- (3) Draft Committee of the Whole minutes – September 10, 2024