

DATE OF MEETING | October 7, 2019 |

AUTHORED BY | BARBARA D. WARDILL, MANAGER, REVENUE SERVICES |

SUBJECT PROPERTY TAX EXEMPTION BYLAW FOR 2020 PROPERTY TAXES

OVERVIEW

Purpose of Report

To introduce “Property Tax Exemption Bylaw 2019 No. 7293”, for first, second and third readings. |

Recommendation

1. That “Property Tax Exemption Bylaw 2019 No. 7293” (To provide exemptions from 2019 property taxes) pass first reading;
2. That “Property Tax Exemption Bylaw 2019 No. 7293” pass second reading; and,
3. That “Property Tax Exemption Bylaw 2019 No. 7293” pass third reading.

BACKGROUND

The City adopts a bylaw annually to exempt certain properties from property taxes for the next year. The City’s Grants Policy and Guidelines requires that all properties that receive a permissive tax exemption (PTE) be reviewed every three years to ensure that they continue to meet eligibility criteria. The last review was conducted in 2014.

The Grants Advisory Sub-Committee started the review process in January, 2017. However, in late February 2017, Council adopted a motion to dissolve the Committee. As such, the review has not been completed. In order for a review to take place, discussions will need to proceed to develop a new process.

Properties that were included in the tax exemption bylaw for 2019 property taxes, adjusted for organizations that have moved, etc. have been carried forward to be exempt in 2020. New Permissive Tax Exemption applications received by the July 1 deadline were reviewed by Laura Mercer, Director, Finance, and Barbara Wardill, Manager, Revenue Services.

During 2019, five new properties were approved to be added to the tax exemption bylaw, as noted below:

- Canadian Mental Health Association – Mid Island 290 Bastion Street, lower floor;
- Nanaimo Brain Injury Society 106 - 285 Prideaux Street;
- Let Me Be Me Learning Foundation 200 – 1585 Bowen Road;
- Nanaimo 7 – 10 Club 303 – 285 Prideaux Street; and,

- Nanaimo Region John Howard Society 2353 Rosstown Road.

Two organizations that were previously exempt and no longer require a permissive tax exemption are:

- Nanaimo Recycling Exchange – 2491 Kenworth Road (ceased operations); and,
- Nanaimo Region John Howard Society – 1585 Bowen Road (moved).

A summary of the properties that received a property tax exemption in 2019 is provided in the table below:

	# Organizations	# Properties	2019 Actual – City Portion Only (\$)
Church properties	36	40	\$ 337,447
Senior citizens' housing facilities	2	10	100,031
Community care facilities	2	5	198,809
Non-profit organizations	47	66	407,335
Parks	2	17	200,822
Other City-owned properties	24	26	160,137
Museum	2	2	15,178
TOTAL	115	166	\$ 1,419,758

With the Bylaw updated for the changes during the year, the permissive tax exemptions for 2020 are estimated to be \$1,490,746, an increase of \$70,988 from 2019. This increase is largely attributed to the projected 2020 tax increase. |

OPTIONS

- That “Property Tax Exemption Bylaw 2019 No. 7293” (To provide exemptions from 2019 property taxes) pass first reading.
- That “Property Tax Exemption Bylaw 2019 No. 7293” pass second reading.
- That “Property Tax Exemption Bylaw 2019 No. 7293” pass third reading.
 - The advantage of this option: This aligns with the Livability theme in the 2019-2022 Strategic Plan and meets the October 31st deadline to adopt a permissive tax exemption bylaw.
 - The disadvantage of this option: Remaining properties in each tax class would be required to absorb \$1.49 million in property taxes. |
- That Council deny first, second and third readings to “Property Tax Exemption Bylaw 2019 No. 7293” (to provide exemptions from 2019 property taxes.)
 - Legal Implication: Bylaw adoption will not meet the October 31st statutory deadline.

SUMMARY POINTS

- The Bylaw to approve permissive tax exemptions for the 2020 tax year must be adopted by 2019-OCT-31.
- Five new applications have been added and two properties removed from the current bylaw.
- In order for a review to take place, discussions will need to proceed to develop a new process.

ATTACHMENTS:

“Property Tax Exemption Bylaw 2019 No. 7293”

Submitted by:

Barbara D. Wardill
Manager, Revenue Services

Concurrence by:

Laura Mercer
Director, Finance