

DATE OF MEETING | OCTOBER 4, 2021 |

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

SUBJECT PROPERTY TAX EXEMPTION BYLAW FOR 2022 PROPERTY TAXES

OVERVIEW

Purpose of Report

To introduce “Property Tax Exemption Bylaw 2021 No. 7332”, for first, second and third readings. |

Recommendation

1. That “Property Tax Exemption Bylaw 2021 No. 7332” (To provide exemption from 2022 property taxes) pass first reading;
2. That “Property Tax Exemption Bylaw 2021 No. 7332” pass second reading; and,
3. That “Property Tax Exemption Bylaw 2021 No. 7332” pass third reading.

BACKGROUND

The City adopts a bylaw annually to exempt certain properties from property taxes for the coming year. The City’s Grants Policy and Guidelines requires that all properties that receive a permissive tax exemption (PTE) be reviewed to ensure that they continue to meet eligibility criteria.

Properties that were included in the tax exemption bylaw for 2021 property taxes, adjusted for organizations that have moved, etc. have been carried forward to be exempt in 2022. New Permissive Tax Exemption applications received by the June 30th deadline were reviewed by Laura Mercer, Director, Finance, and Barbara Wardill, Manager, Revenue Services.

DISCUSSION

During 2021, seven new properties were approved to be added to the tax exemption bylaw, as noted below:

- Nanaimo Association for Community Living 3425 Uplands Drive;
- Woodgrove Senior Citizens Housing Society 1125 Seafield Crescent;
- Hai An Buddhist Society 587 Seventh Street;
- Nanaimo Affordable Housing Society 858 Georgia Avenue;
- Nanaimo Affordable Housing Society 77 Mill Street;
- Nanaimo Affordable Housing Society 10 Buttertubs Drive; and,
- Trinity United Church 6011 Doumont Road.

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

- Trustees of The Mountain View Congregation of Jehovah’s Witness – 6011 Doumont Road ;
- Nanaimo 7-10 Club – #201 & 303 - 285 Prideaux Street;
- Options for Sexual Health – #206 – 285 Prideaux Street.

The 2021 property tax value for the properties that will receive a property tax exemption in 2022 is provided in the table below:

	# Organizations	# Properties	2021 – City Portion Only (\$)
Church Properties	35	39	\$ 390,251
Senior Citizens’ Housing Facilities	2	11	178,454
Community Care Facilities	2	5	211,062
Non-Profit Organizations	49	73	543,543
Parks	2	17	114,742
Other City-owned properties	18	19	161,192
Museum	2	2	17,029
TOTAL	110	166	\$ 1,616,273

With the Bylaw updated for the changes during the year, the permissive tax exemptions for 2022 are estimated to be \$1,671,191, an increase of \$54,918 over 2021. This increase is largely attributed to an estimated 2022 tax increase.

FINANCIAL CONSIDERATIONS

Council has the following options available to them:

Option 1

Approval of the annual permissive tax exemptions will result in no financial impact to the City. Remaining properties in the tax classes would be required to absorb the value of permissive tax exemptions.

Option 2

Council could choose not to approve the annual permissive tax exemptions and continue to receive property tax revenue. There is no financial impact to this option.

OPTIONS

1. That “Property Tax Exemption Bylaw 2021 No. 7332” (To provide exemptions from 2022 property taxes) pass first reading.
2. That “Property Tax Exemption Bylaw 2021 No. 7332” pass second reading.

3. That “Property Tax Exemption Bylaw 2021 No. 7332” pass third reading.
 - The advantage of this option: This aligns with the Livability theme in the 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 approximately \$1.67 million in property taxes.
4. That Council deny first, second and third readings to “Property Tax Exemption Bylaw 2021 No. 7332” (To provide exemptions from 2022 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 2022 tax year must be adopted by 2021-OCT-31.
- Seven new applications have been added and three 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 2021 No. 7332” |

Submitted by:

Barbara Wardill
Manager, Revenue Services |

Concurrence by:

Laura Mercer
Director, Finance |