

DATE OF MEETING OCTOBER 3, 2022

AUTHORED BY JAMIE SLATER, MANAGER, REVENUE SERVICES

SUBJECT Property Tax Exemption Bylaw For 2023 Property Taxes

OVERVIEW

Purpose of Report

To introduce “Property Tax Exemption Bylaw, 2022 No. 7358” (a bylaw to exempt certain land and buildings from taxation) for first, second, and third readings.

Recommendation

1. That the “Property Tax Exemption Bylaw, 2022 No. 7358” (a bylaw to exempt certain land and buildings from taxation) pass first reading; and
2. That the “Property Tax Exemption Bylaw, 2022 No. 7358” pass second reading; and,
3. That the “Property Tax Exemption Bylaw, 2022 No. 7358” pass third reading.

BACKGROUND

Pursuant to the *Community Charter*, Council may exempt certain properties from taxation through a tax exemption bylaw. This bylaw must be adopted annually by OCT-31 and Council can choose the term of the exemption as long as it does not exceed ten (10) years.

Pursuant to municipal best practices, each year a separate exemption bylaw is created so that properties can be added or removed as necessary.

DISCUSSION

In 2022, seven (7) new applications were received and granted a permissive tax exemption. These applications were reviewed by Council as the applications were received:

- Canadian Mental Health Association Mid Island Branch 250 Albert Street
- Habitat for Humanity Mid-Vancouver Island Society 474 Pine Street
- Loaves and Fishes Community Food Bank Society 1861 East Wellington Rd
- Makerspace Nanaimo Association 2221A McGarrigle Rd
- Nanaimo Canadian Amateur Football Association 6706 Dover Rd
- Nanaimo Hungarian Cultural Society 4840 Hammond Bay Rd

- Nexus Patient and Community Care Society #3 - 1273 Island Highway South

One property was removed from the list at 520 Prideaux Street, as the property is no longer occupied by the Lighthouse Bible Baptist Church of Nanaimo Society and is now owned privately.

Housekeeping corrections to folio numbers have been made to the following properties:

Schedule A
2221 Bowen Rd
897 Harbourview St

Schedule B
10 Buttertubs Dr

Schedule D
838 Old Victoria Rd
195 Fourth St
285 Rosehill St
3922 Corunna Ave

The estimated value of the municipal exemption for 2023 for all 171 properties is \$2,290,000
This estimate by category of property is detailed below:

	Bylaw Schedule	# Properties	2022 – City Portion Only (\$)
Church Properties	A	38	\$491,000
Affordable and Senior Housing Facilities	B	11	\$214,000
Community Care Facilities	C	6	\$205,000
Non-Profit Organizations and Other	D	117	\$1,380,000
TOTAL		172	\$ 2,290,000

OPTIONS

- That the “Property Tax Exemption Bylaw, 2022 No. 7358” (a bylaw to exempt certain land and buildings from taxation) pass first reading; and

That the “Property Tax Exemption Bylaw, 2022 No. 7358” pass second reading; and

That the “Property Tax Exemption Bylaw, 2022 No. 7358” pass third reading.

- Advantages:** Granting Permissive Tax Exemptions to these organizations is consistent with past practice and also with Council’s Grants Policy and Guidelines.

Organizations supported by permissive tax exemptions also align with multiple City Plan Policy Topic Areas, including Affordable Housing, and Recreation, Culture, & Wellness.

- Disadvantages:** By Granting a Permissive Tax Exemption to these organizations, the remaining Class 1, 6, and 8 properties throughout the City of Nanaimo will be required to absorb approximately \$2,290,000 of municipal taxes.

- **Financial Implications:** As outlined above, the remaining Class 1, 6, and 8 properties throughout the City of Nanaimo will be required to absorb the exempted taxes. There is no net financial implication to the City of Nanaimo, as the City collects the required amount of property taxes from each property class.
2. That Council does not pass any readings of “Property Tax Exemption Bylaw No.7358, 2022” (a bylaw to exempt certain land and buildings from taxation).
- **Advantages:** Approximately \$2,290,000 in municipal taxes would not be required to be absorbed by the remaining Class 1, 6, and 8 properties. The City would collect this estimated amount from the above-mentioned properties rather than allocate it between the remaining properties that are not exempt.
 - **Disadvantages:** The denial of the Permissive Tax Exemption application would be inconsistent with all of Council’s cumulative actions to date to support these organizations. The denial could also financially impact these organizations property owners in a significant way. |

SUMMARY POINTS

- The 2023 Permissive Tax Exemption bylaw must be adopted annually by OCT-31
- Seven new applications have been received and granted an exemption
- Housekeeping changes were made to six properties in schedules A, B and D to ensure accuracy

ATTACHMENTS:

“Property Tax Exemption Bylaw, 2022 No. 7358” |

Submitted by:

Jamie Slater
Manager, Revenue Services |

Concurrence by:

Wendy Fulla
Acting Director, Finance |