

DATE OF MEETING SEPTEMBER 19, 2022

AUTHORED BY JAMIE SLATER, MANAGER, REVENUE SERVICES

SUBJECT CONSIDERATION OF NEW PERMISSIVE TAX EXEMPTION

OVERVIEW

Purpose of Report

To obtain Council approval for the Permissive Tax Exemption application received from the Nanaimo Hungarian Cultural Society for the property that it owns at 4840 Hammond Bay Road. |

Recommendation

That Council:

1. Award a Permissive Tax Exemption commencing with the 2023 taxation year to the Nanaimo Hungarian Cultural Society for the property that it owns at 4840 Hammond Bay Road.

BACKGROUND

The Nanaimo Hungarian Cultural Society submitted a Permissive Tax Application within the June 30th deadline for the 2023 property taxation year.

This application was reviewed by staff subsequent to all of the other Permissive Tax Exemptions that were considered by Council at the 2022-AUG-29 Council meeting, and there was unfortunately not sufficient time to have this application included with the 2022-AUG-29 agenda package.

Therefore, this application is contained in a separate report for Council's consideration.

Once Council has had a chance to consider this application, the 2023 Permissive Tax Exemption Bylaw will be brought forward to Council for consideration of first three readings on 2022-OCT-03, with potential adoption on 2022-OCT-24.

This will allow for the Permissive Tax Exemption bylaw to be submitted to BC Assessment before 2022-OCT-31.

A copy of the current Grants Policy and Guidelines document is attached to this report as ATTACHMENT A. Specific direction on the evaluation of applications for Permissive Tax Exemptions are found under Sections 7 and 8, and are also outlined in this report. |

DISCUSSION

The Nanaimo Hungarian Cultural Society is a registered society that has a mandate to nurture and teach Hungarian culture. The Society offers workshops, coordinates community events, and facilitates the teachings of traditional Hungarian history and arts and crafts for members and all people of the Community.

The Society runs a Community Center that is run by member volunteers, and provides a space for opportunities for cultural and social development of the Community. The programs are open to all members in the Community at a nominal fee, and the facility also provides low-cost rental space for other community organizations and events.

There are numerous other Cultural Societies that are currently included on the Permissive Tax Exemption Bylaw, and the application meets the Community Services criteria that is articulated in section 8(g) of the Grants Policies and Guidelines document.

The 2022 assessed value of the property is \$631,000 and has a Class 8 (Recreation) designation. The organization is requesting an exemption that would commence with the 2023 taxation year. The estimated municipal portion of the tax exemption for 2023 is approximately \$6,000.

OPTIONS

1. That Council Award a Permissive Tax Exemption commencing with the 2023 taxation year to the Nanaimo Hungarian Cultural Society for the property that it owns at 4840 Hammond Bay Road.
 - **Advantages:** This supports the cultural activities of the Nanaimo Hungarian Cultural Society and meets the criteria in the Grants and Policy Guidelines. This would also allow for the expansion of programs and services offered.
 - **Disadvantages:** The remaining Class 8 (Recreation) properties throughout the City of Nanaimo will be required to absorb approximately \$6,000 in property taxes. As outlined above, the 2023 municipal property tax calculation is an estimate.
 - **Financial Implications:** As outlined above.
2. That Council deny a Permissive Tax Exemption commencing with the 2023 taxation year to the Nanaimo Hungarian Cultural Society for the property that it owns at 4840 Hammond Bay Road.
 - **Advantages:** The denial of a Permissive Tax Exemption would result in the remaining Class 8 properties throughout the City of Nanaimo not having to absorb approximately \$6,000 in property taxes. As outlined above, the 2023 municipal property tax calculation is an estimate.
 - **Disadvantages:** The denial of a Permissive Tax Exemption could result in the Nanaimo Hungarian Cultural Society not being able to continue to provide services to

the Nanaimo community due to the lack or decrease of financial resources. Alternatively, the Society may not be able to provide as many services.

- **Financial Implications:** As outlined above. |

SUMMARY POINTS

- The Nanaimo Hungarian Cultural Society has applied for a Permissive Tax Exemption for the property that it owns at 4840 Hammond Bay Road
- The application from the association meets the criteria for approval of a Permissive Tax Exemption
- The estimated value of the municipal tax exemption for 2023 is approximately \$6,000

ATTACHMENTS:

ATTACHMENT A: Grants Policy and Guidelines

ATTACHMENT B: Permissive Tax Exemption Application from the Nanaimo Hungarian Cultural Society |

Submitted by:

Jamie Slater
Manager, Revenue Services |

Concurrence by:

Laura Mercer
Director, Finance |