

Staff Report for Decision

DATE OF MEETING JULY 28, 2025

AUTHORED BY ANA FRANCISCO, ASSISTANT MANAGER REVENUE SERVICES

SUBJECT CONSIDERATION OF NEW PERMISSIVE TAX EXEMPTION APPLICATIONS FOR THE 2026 TAXATION YEAR

OVERVIEW

Purpose of Report

To present the Permissive Tax Exemption applications received for the 2026 taxation year for consideration by Council.

Recommendation

That Council award permissive tax exemptions for the 2026 taxation year to the Central Vancouver Island Multicultural Society for units 103, 205, and 404 at 235 Bastion Street and unit 201-155 Skinner Street.

BACKGROUND

Pursuant to the *Community Charter* Section 224, Council may, by Bylaw, exempt land or improvements, or both, from taxation under Section 197 (1)(a) Municipal Property Taxes.

These exemptions are typically granted to non-profit organizations that provide services deemed to benefit the broader community, such as those involving social services, arts and culture or recreation. The purpose of permissive exemptions is to support the contributions of these organizations by reducing their financial burden, thereby enabling them to direct more resources toward their programs and services.

Each year, the City invites applications for the upcoming tax year, with a deadline set for June 30.

Applications are reviewed based on the City's permissive tax exemption policy (Attachment A), with Council making the final determination on which properties will be granted exemptions.

The policy allows for permissive tax exemptions when the following general criteria are met:

- The applicant qualifies under the provisions of the Community Charter;
- The use of the property must be consistent with and in accordance with all applicable municipal policies, bylaws and legislation;
- The applicant must not be in arrears with the City;
- The applicant is a non-profit organization and/or a registered charity;
- Only that part of the property used for non-profit activities will be considered for exemption;
- The applicant must own or lease the subject property;
- The applicant offers services or programs that are compatible or complementary to those offered by the City;
- The principal use of the property meets Council's objectives;

- Services and activities should be equally available to all residents of the City, and
- Organizations that disparage others are not eligible for permissive tax exemption.

The organization must also meet the applicable criteria for the category under which their exemption falls.

The June 30th deadline for new applications allows the City to be prepared to present the annual Permissive Tax Exemption Bylaw to Council in time to have it fully adopted and submitted to BC Assessment prior to the October 31st legislated deadline. There are also public notice requirements related to this bylaw.

The Permissive Tax Exemption Bylaw for the 2026 taxation year will be presented to Council at the following meetings:

Event	Council Meeting Date
Consideration of first three readings	Regular Council Meeting 2025-SEP-08
Adoption	Regular Council Meeting 2025-OCT-06

DISCUSSION

For the current intake, three applications from the Central Vancouver Island Multicultural Society were received by the deadline. However, two of these applications pertain to portions of the same property, which is assessed and taxed under a single folio number. Since the property is treated as one for taxation purposes, the two applications are effectively considered as one. As a result, although three applications were submitted, only two distinct properties are under consideration for the exemption.

The Central Vancouver Island Multicultural Society is a non-profit organization dedicated to promoting diversity, inclusion, and cultural understanding within the community. The Society offers a range of programs and events that celebrate multiculturalism, support new commers, and foster intercultural dialogue.

Currently, the Society receives an exemption for the space it leases at 319 Selby Street.

235 Bastion Street

The Society occupies units 103, 205, and 404 which represents 19.6% of the property. Based on the 2025 assessed value of the property, the value attributed to the three units would be approximately \$474,908.

The estimated value of the requested 2026 exemption would be:

Assessed Value:	\$2,423,000 x 19.6% = \$474,908
Property Class:	Class 6 – Business/Other
Municipal Portion of Exemption*:	\$6,173.51
Total Value of Exemption*:	\$ 10,579.24

*Estimated assuming a 5% overall increase to 2025's mill rate

The Nanaimo Brain Injury Society occupies 10.66% of this property and is already receiving an exemption for this portion.

155 Skinner Street

The Society occupies unit 201 which represents 9.51% of the property. Based on the 2025 assessed value of the property, the value attributed to unit 201 would be approximately \$276,075.

The estimated value of the requested 2026 exemption would be:

Assessed Value:	\$2,903,000 x 9.51% = \$276,075
Property Class:	Class 6 – Business/Other
Municipal Portion of Exemption:	\$3,588.80
Total Value of Exemption:	\$ 6,149.97

*Estimated assuming a 5% overall increase to 2025's mill rate

OPTIONS

1. That Council award permissive tax exemptions for the 2026 taxation year to the Central Vancouver Island Multicultural Society for units 103, 205, and 404 at 235 Bastion Street and unit 201-155 Skinner Street.

Advantages:

- The exemption will assist the Central Vancouver Island Multicultural Society continue to offer their programs and services
- The exemption will be awarded based on the criteria in the City of Nanaimo's Permissive Tax Exemption Policy COU-243

Disadvantages:

- Approval of the permissive tax exemption will require the other properties in Class 6 – Business/Other in the City to have to absorb the property taxes that would have otherwise been paid.

Financial Implications:

- A summary of the estimated financial implications has been provided for each property above

2. That Council provide alternative direction.

SUMMARY POINTS

- Pursuant to the *Community Charter*, Council may, by Bylaw, exempt land or improvements, or both, from taxation.
- Three new applications for permissive tax exemptions have been received by from the Central Vancouver Island Multicultural Society.
- The Central Vancouver Island Multicultural Society currently receives an exemption for the space they occupy at 319 Selby Street.

ATTACHMENTS:

ATTACHMENT A: Permissive Tax Exemption Policy COU-243

ATTACHMENT B: PTE Application – Central Vancouver Island Multicultural Society |

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