



City of Port Moody

Report/Recommendation to Council

Date: September 6, 2019
Submitted by: Finance and Technology Department – Financial Services Division
Subject: 2020 Permissive Tax Exemption Bylaw

Purpose

To present the annual Permissive Taxation Exemption Bylaw for consideration.

Recommended Resolution(s)

THAT City of Port Moody Tax Exemption Bylaw, 2019, No. 3209 be read a first time as recommended in the report dated September 6, 2019 from the Finance and Technology Department – Financial Services Division regarding 2020 Permissive Tax Exemption Bylaw.

THAT Bylaw No. 3209 be read a second time.

THAT Bylaw No. 3209 be read a third time.

Background

Section 224 of the *Community Charter* (**Attachment 1**) provides Council with the authority to grant permissive property tax exemptions. The Tax Exemption Bylaw must be adopted before October 31st of any given year for the subject properties to be exempt for the following tax year.

Statutory Tax Exemptions are given to buildings set apart for public worship, and the land on which the building stands; however, the land or improvements that surround the building require consideration by Council for a permissive tax exemption.

For 2020, there are no new applications.

Discussion

The Estimated 2020 Tax Exemptions listing (**Attachment 2**) shows all properties that have either been given a statutory tax exemption, or are being presented for Council's consideration for a permissive tax exemption.

For 2020, the total statutory and permissive tax exemptions are estimated to be \$906,050 as compared to \$1,000,130 in 2019. This decrease is attributed to the lower-than-expected assessed value of Eagle Ridge Hospital, which only saw a 6% increase in assessed value from 2018 to 2019. Since this was far below the average class 6 increase of 27%, the estimated pre-

exemption tax decreased by \$107,351. Amounts are estimated because the actual 2020 assessed values and tax rates will not be known until the spring of 2020.

The permissive exemption component of the \$906,050 is estimated to be \$122,859, which is an increase of \$14,364 over the 2019 amount of \$108,495. The primary reason for this increase is the completion of the Port Moody Legion, and subsequent increased assessment. The estimated tax exemption for 2020 is \$22,057 as opposed to \$8,381 in 2019.

For 2021 and 2022, estimates are provided on the attached spreadsheet (**Attachment 2**) per section 227(2)(d) of the *Community Charter* (**Attachment 3**).

Tax exemptions have been increased using the estimated tax increases as approved in the 2019 Five Year Financial Plan. These rates are 3.5% for 2020 and 2021, and 3% for 2022.

Draft City of Port Moody Tax Exemption Bylaw, 2019, No. 3209 is attached for Council's consideration (**Attachment 4**).

Other Option(s)

THAT the report dated September 6, 2019 from Finance and Technology Department – Financial Services Division regarding 2020 Permissive Tax Exemption Bylaw be received for information.

Financial Implications

The proposed permissive property tax exemptions represent approximately \$906,050 in exempted tax revenues in 2020. All renewals listed in **Attachment 2** have been exempted in previous years, resulting in an impact of approximately \$122,859 for 2020, \$126,544 for 2021, and \$130,339 for 2022. The impact of the tax burden would be distributed to the remaining properties on the assessment roll.

Communications / Civic Engagement

The statutory public notice requirement of Council's intention to adopt a Permissive Tax Exemption Bylaw have been met by advertising in the local newspaper on September 19 and September 26, 2019.

Council Strategic Plan Objectives

The Tax Exemption Bylaw aligns with Council's Healthy City Strategic Priority to provide local services and access to amenities for residents of all ages and abilities.

Attachment(s)

1. *Community Charter* – Permissive Tax Exemption section 224.
2. Estimated 2020 Tax Exemption listing, showing authority to grant exemption and estimated Municipal taxes that will be exempted for 2020, 2021, and 2022.
3. *Community Charter* – Permissive Tax Exemption section 227.
4. Draft City of Port Moody Permissive Tax Exemption Bylaw, 2019, No. 3209.

Report Author

Tyson Ganske

Manager of Financial Planning

Report Approval Details

Document Title:	2020 Permissive Tax Exemption Bylaw.docx
Attachments:	<ul style="list-style-type: none">- Attachment 1.pdf- Attachment 2.pdf- Attachment 3.pdf- Draft City of Port Moody Permissive Tax Exemption Bylaw, 2019, No. 3209.pdf
Final Approval Date:	Oct 1, 2019

This report and all of its attachments were approved and signed as outlined below:

Tyson Ganske

Paul Rockwood

Rosemary Lodge

Dorothy Shermer

Tim Savoie