



City of Port Moody

Report/Recommendation to Council

Date: August 24, 2020
Submitted by: Finance and Technology Department – Financial Services Division
Subject: 2021 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, 2020, No. 3275 be read a first, second, and third time as recommended in the report dated August 24, 2020 from the Finance and Technology Department – Financial Services Division regarding 2021 Permissive Tax Exemption Bylaw.

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 2021, two new applications have been received.

Discussion

The Estimated 2021 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 2021, the total statutory and permissive tax exemptions are estimated to be \$832,835 as compared to \$906,050 in 2020. This is attributed to a decrease in assessed value of Eagle Ridge Hospital, which resulted in an estimated pre-exemption tax decreased of \$72,000. Amounts are estimated because the actual 2021 assessed values and tax rates will not be known until the spring of 2021.

The permissive exemption component of the \$832,835 is estimated to be \$121,846, which is a slight decrease of \$1,013 over the 2020 amount of \$122,859. For 2022 and 2023, estimates

are provided in 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 from the 2021 Financial Plan Guidelines. These rates are 4.1% for 2021, and 3% for 2022 and 2023.

Draft City of Port Moody Tax Exemption Bylaw, 2020, No. 3275 is attached for Council's consideration (**Attachment 4**).

For 2021, two new applications have been received:

SHARE Family and Community Services Society

An application was received from SHARE for the property located at 2615 Clarke Street, owned by Wesbild Holdings. The Community Charter does not permit Council to grant a permissive exemption for this property, as the property is not owned by SHARE as defined by the *Community Charter* Definitions and Rules of Interpretation (**Attachment 5**) or section 9 of the *Local Government Act* (**Attachment 6**).

Inlet United Church

An application was received from Inlet United Church for the property located at 2318 St. Johns Street, owned by Catalyst Community Developments Society and St. Andrew's Port Moody Housing Society. The permissive application was received from the Inlet United Church in regards to the portion of the property relating to worship services. Catalyst Community Development Society did not submit an application.

This property did not receive a statutory exemption from BC Assessment in 2020, as the *Community Charter* section 220(1)(h) determines that statutory exemptions can be granted to a "a building set apart for public worship, and the land on which the building stands". As the property is under development, BC assessment cannot grant a statutory exemption under legislation. As permissive exemptions for places of public worship can only occur in conjunction with a statutory exemption per section 224(2)(f), Council cannot consider a permissive exemption under this section.

However, Council may consider an exemption under a different subsection (i.e. 224(2)(a)) as land or improvements that are owned or held by a charitable, philanthropic, or other not for profit corporation and the church has provided a registration number. The property is split into three property classes, \$3,205,000 in Class 1 (residential), \$1,782,000 in Class 6 (business/other), and \$435,000 in Class 8 (recreation/non-profit). Based on the application, and as places of worship fall under Class 8, only \$435,000 of the total assessment is being presented for consideration of a permissive exemption. This exemption, with an estimated value of \$879, is noted in reference 2.1.18 of draft City of Port Moody Tax Exemption Bylaw, 2020, No. 3275.

This property does not meet the Port Moody Guideline (**Attachment 7**) of benefit and accessibility to all Port Moody residents as there is currently no church building for residents to attend. However, the church is offering worship services online. Most places of worship are currently limiting their in-person service offerings because of the limitations on public gatherings put in place by the Province due to the current COVID-19 pandemic.

Historically, Council has not approved permissive applications for places of worship that are not open to the public, or for private clubs that are under development and are not open to the public.

Other Option(s)

1. THAT the report dated August 24, 2020 from the Finance and Technology Department – Financial Services Division regarding 2021 Permissive Tax Exemption Bylaw be received for information.
2. THAT City of Port Moody Tax Exemption Bylaw, 2020, No. 3275 be amended to remove reference 2.1.18 in regards to the Class 8 portion of the property located at 2318 St. Johns Street.

Financial Implications

The proposed permissive property tax exemptions represent approximately \$121,846 in exempted tax revenues in 2021. All renewals, with the exception of 2.1.18 with a value of \$879 as noted above, listed in **Attachment 2** have been exempted in previous years, resulting in an impact of approximately \$121,846 for 2021, \$125,503 for 2022, and \$129,270 for 2023. The impact of the tax burden would be distributed to the remaining properties on the assessment roll.

Communications and Civic Engagement Initiatives

The statutory public notice requirement of Council's intention to adopt a Permissive Tax Exemption Bylaw will be met by advertising in the local newspaper on October 1, 2020 and October 8, 2020.

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 2021 Tax Exemption listing, showing authority to grant exemption and estimated Municipal taxes that will be exempted for 2021, 2022, and 2023.
3. *Community Charter* – Permissive Tax Exemption section 227.
4. Draft City of Port Moody Permissive Tax Exemption Bylaw, 2020, No. 3275.
5. *Community Charter* Definitions and Rules of Interpretation.
6. *Local Government Act* section 9.

Report Author

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Report Approval Details

Document Title:	2021 Permissive Tax Exemption Bylaw.docx
Attachments:	<ul style="list-style-type: none">- Attachment 1 - <i>Community Charter</i> Section 224.pdf- Attachment 2 - Estimated 2021 Tax Exemptions.pdf- Attachment 3 - <i>Community Charter</i> Section 227.pdf- Attachment 4 - Draft City of Port Moody Permissive Tax Exemption Bylaw, 2020, No. 3275.pdf- Attachment 5 - <i>Community Charter</i> Definition Schedule.pdf- Attachment 6 - <i>Local Government Act</i> Section 9.pdf
Final Approval Date:	Aug 31, 2020

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

Tracey Takahashi for Dorothy Shermer, Corporate Officer - Aug 27, 2020 - 12:04 PM

Paul Rockwood, General Manager of Finance and Technology - Aug 27, 2020 - 2:46 PM

Jeff Moi for Tim Savoie, City Manager - Aug 31, 2020 - 10:18 AM