



## COUNCIL REPORT

To: Paul Gipps, CAO

Date: September 28, 2021

From: Lisa Siavashi, Financial Services Manager

Subject: **2022 Permissive Tax Exemption Bylaw**

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### RECOMMENDATION

**THAT** Council give first, second and third reading to “Property Tax Exemption Bylaw No. 0291, 2021; and

**THAT** notice of intention to proceed with Bylaw No. 0291 be published on the 6th and 13th day of October 2021 in the Westside Weekly newspaper, circulating in the City of West Kelowna, pursuant to Section 94 of the *Community Charter*.

### LEGISLATIVE REQUIREMENTS

In accordance with Section 225 (7) of the *Community Charter*, Council may, by bylaw adopted on or before October 31, 2021, exempt eligible properties from taxation for 2022. The bylaw must establish the term of the exemption and may only be adopted after public notice of the proposed bylaw has been given.

If adopted without amendment, Bylaw No. 0291 would contain full exemptions for 14 places of worship and private schools, full or partial exemptions for 6 not-for-profit organizations and full exemptions for 2 public/local authorities.

### BACKGROUND

The *Community Charter*, in Sections 220 through 226, provides for both “statutory” and “permissive” tax exemptions to be applicable to a variety of property types such as federal, provincial and municipally owned properties, hospitals, schools and churches. The “statutory” exemptions are managed by BC Assessment using the Charter and supporting regulations as the basis for including the exemptions in the annual assessment roll. “Permissive” exemptions, however, are the jurisdiction of municipal councils and are dealt with through an annual application and bylaw process.

Council, in January 2010, adopted the City of West Kelowna’s “Permissive Tax Exemption Policy” setting out the terms and conditions required to be met for consideration of inclusion in the City’s Annual Tax Exemption bylaw. As directed by that policy, the places of worship, private schools and hospitals are required to complete a full application every five years. As such, all previously approved organizations were required to submit a

comprehensive application in 2018 which covers exemptions for the years 2019 to 2023. Even though renewal applications are not required by the places of worship, private schools and hospitals, these organizations are required to notify the CWK of any changes in property ownership and/or use of the property until a full application is required again.

Six not-for-profit organizations (all renewals) have applied for a permissive tax exemption for 2022. The following provides a summary of some key findings that have been considered from their applications:

### **Green Bay Bible Camp (“GBBC”)**

GBBC has established significant rental relationships with organizations on their property. Churches, recreational organizations/clubs, and the Royal Canadian Air Cadets are provided with access to GBBC property at rates well below market rates or free of charge to provide low cost space to these organizations and support their ongoing operations. They are able to partner with these organizations as a result of the continued support from CWK in providing permissive tax exemptions to their properties. A full permissive tax exemption was granted for 2021 and staff recommends no change to the full permissive tax exemption to the GBBC properties for 2022.

### **Central Okanagan Community Food Bank Society**

On July 1, 2015, the Westside Community Food Bank and the Kelowna Food Bank amalgamated into the Central Okanagan Community Food Bank Society. The West Kelowna operations continue to function on the same basis as previously from their location at 2545 Churchill Road. The charitable status and mandate of the operation remains unchanged and staff is therefore supporting this renewal application for the 2022 tax year.

### **Morning Star Bible Camp (MSBC)**

MSBC operates the camp facility to provide a camp setting/experience for children/teens/adults/families throughout the year. As well, the facility is made available to school and church groups to provide a local venue for a variety of camp-related programs. Continued tax exemption support for 2022 is supported by staff.

### **Okanagan Boys and Girls Clubs (OBGC)**

OBGC’s mission is to provide a supportive place where children and youth can experience new opportunities, overcome barriers, build positive relationships and develop confidence and skills for life. Staff is supporting the renewal application for 2022.

## **Greater Westside Board of Trade (“GWBOT”)**

The CWK “Permissive Tax Exemption Policy” states:

1. Council may designate only a portion of land/improvements as exempted where the following circumstances exist:
  - a. A portion of land/improvements is used by private sector and/or organization not meeting Council’s exemption criteria.
  - b. The applicant already receives grant in aid from the municipality, regional district, provincial or federal government.
  - c. The applicant meets all eligibility criteria, however Council may at its discretion, grant a partial exemption.

A portion of GWBOT property continues to be leased to the private sector (Music School). The business that is leasing the space would not be eligible for a tax exemption under the policy. Consistent with 2021, a 90% permissive tax exemption has been reflected in the bylaw. The 10% portion of property taxes that are not exempt (approximately \$484 for 2022) will be invoiced to GWBOT in June 2022 for payment before the property tax deadline. Council has the authority, at its discretion, to set the % of partial exemptions granted to an organization.

### **Pathways Abilities Society**

Pathways Abilities Society provides services to people with disabilities in our local area. They expect to assist approximately 20 individuals in activities and volunteer work in West Kelowna. Staff supports providing a tax exemption to the Pathways Abilities Society for 2022.

Two public authorities (both renewals) have applied for a permissive tax exemption for 2022 under section 224.2(d) of the *Community Charter*. The following provides a summary of some key findings that have been considered from their applications.

### **Nature Trust of BC**

One of the parcels, as in prior years, involves a parcel of land which is a municipal lease from the Crown on an area covered by water in the Rose Valley park area.

### **Westbank First Nations (WFN)**

Westbank First Nation owns this small parcel due to its significance as an archaeological site on which cultural and historical research will be performed. As research proceeds, WFN feels it will provide archaeological and historical value to the community. Staff is supporting the renewal application for 2022.

## FINANCIAL IMPLICATIONS

Attached is a draft of the advertisement required by legislation, which details the estimated taxes to be “permissively” exempted for 2022 through 2024. The values therein have been estimated using 2021 levies while allowing for a 3% tax increase for each of the next three years.

Should Council choose to adopt the “Property Tax Exemption” as presented, the estimated value of property taxes exempted through permissive exemptions is:

a) City of West Kelowna taxes for 2022 \$ 121,792

b) Other tax levies for 2022:

School Tax	77,702
Hospital	10,534
Regional District	10,718
Other	<u>9,389</u>
	<u>\$ 108,343</u>
Total:	<u>\$ 230,135</u>

The respective amounts for the 2021 taxation year were:

a) City of West Kelowna 2021 taxes \$ 118,244

b) Other tax levies in 2021:

School Tax	75,616
Hospital	10,251
Regional District	10,430
Other	<u>9,414</u>
	<u>\$ 105,711</u>
Total:	<u>\$ 223,955</u>

### Alternate Motion

1. THAT Council direct staff to make the necessary amendments and that Bylaw No. 0291 be read a first time as amended, and a second and third time.

Or

2. THAT Council direct staff to change the percentage of permissive tax exemption provided to Greater Westside Board of Trade for 2021; and THAT Bylaw No. 0291 be read a first time as amended, and a second and third time.

**REVIEWED BY**

Shelley Schnitzler, Legislative Services Manager/Corporate Officer

**APPROVED FOR THE AGENDA BY**

Paul Gipps, CAO

Powerpoint: Yes  No

Attachments:

1. B0291, 2022 Property Tax Exemption Bylaw
2. 2022 Permissive Tax Exemption Advertisement