

# STAFF REPORT TO FINANCE AND AUDIT COMMITTEE

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**DATE:** August 20, 2021

**TO:** STANDING COMMITTEE ON FINANCE AND AUDIT

**NAME AND TITLE:** Kris Dalio, Director of Finance

**SUBJECT:** 2022 Permissive Tax Exemptions

**ATTACHMENT(S):** Recommended 2022 Permissive Tax Exemptions

**RECOMMENDATION(S):**

That the Standing Committee on Finance and Audit recommend that Council approve the 2022 Permissive Tax Exemptions itemized in the attachment to the report dated August 20, 2021 from the Director of Finance titled "2022 Permissive Tax Exemptions".

**PURPOSE:**

The report provides the Standing Committee on Finance and Audit with an itemized list of the applications that meet the criteria for 2022 Permissive Tax Exemptions and requests that the Committee recommend that Council approve the exemptions.

**STRATEGIC PRIORITIES:**

Sustainable Finance Guideline 5.5 indicates that Permissive Tax Exemptions are a means for Council to support organizations within the community to further Council's objectives of enhancing quality of life and delivering services economically. There is no obligation on Council's part to grant exemptions.

**POLICY/REGULATORY ANALYSIS:**

Council approves Permissive Tax Exemptions in accordance with the authority granted through Section 224 of the *Community Charter*.

The Permissive Tax Exemption Policy was used in conjunction with the Permissive Tax Exemption Administrative Procedure to adjudicate the Permissive Tax Exemptions. As per the Policy, the length of the exemptions provided will be granted to the organizations for a period that coincides with the existing Council's term of office, up to a maximum of 4 years. However, the owners of the exempted properties are expected to apply annually and state any changes that have occurred, which are then reviewed by Administration.

**FINANCIAL CONSIDERATIONS:**

Permissive Tax Exemptions are generally granted for non-profit organizations, places of public worship, and municipal tenants. The total estimated value for the tax exemptions in this report's recommendations is \$1,996,364 or 1.75% of the tax levy (based on 2021 tax rates and assessment values). The exact amount of these exemptions will not be known until the time that BC Assessment releases the revised property tax roll in 2022.

## **Non-Profit Organizations**

The estimated value of exemptions recommended for non-profit organizations for 2022 is \$1,183,572; the value of new exemptions recommended by Administration is \$12,859. The new non-profit applications are:

1. 80-00174-000 Queensway Garden Club – The Garden Club is seeking an exemption for this land used to grow, harvest and share gardening knowledge. There are 62 garden plots and 20 raised beds available at reasonable rates per year. This application does not meet the requirements for an exemption, as the land is not owned by the society. Exemption could still be possible if the owner of the property were otherwise eligible for exemption through the Permissive Tax Exemption Policy and Procedure but the owner also does not meet eligibility criteria.
2. 00-19697-020, 00-19697-021, 00-19697-022, 00-19697-023, 00-19697-024 – AiMHi – Prince George Association for Community Living – 10 Units were built as accessible housing with the intent of providing subsidized, low cost, non-profit housing for people in need. Need is identified through low income, status as seniors (65+), or disability. Priority is given to people that meet multiple categories and mobility issues. Nine units are rented out within the need categories and the 10<sup>th</sup> unit is rented out at fair market value. The 10<sup>th</sup> unit is not included in the exemption application. More information was needed at the time of the report to see if onsite services are provided to these units to determine eligibility.

***Administration recommends that the AiMHi application be approved if it meets eligibility.***

***Administration recommends that the Queensway Garden Club application be DENIED as they do not meet the requirements for exemption.***

## **Places of Public Worship**

Places of Public Worship generally receive statutory tax exemptions. The Permissive Exemption they apply for relates to the hall and the land surrounding the school or place of worship. The estimated value of exemptions for places of worship for 2022 is \$270,246.

There are no new applications for exemption for Places of Worship.

## **Municipal Tenants**

Municipal Tenants who meet the criteria of the Permissive Tax Exemption program can apply if the property taxes are not already a financial consideration as part of their lease agreement. The estimated value of the exemptions recommended for municipal tenants in 2022 is \$542,546. The value of the new exemption recommended by Administration is \$1,040. There is one new application for Municipal tenant:

1. 00-01182-002, 00-01182-003 Prince George Lawn Bowling Club – The use of the bowling green which provides low impact exercise to seniors, and other interested parties in a healthy and safe environment.

***Administration recommends that the Prince George Lawn Bowling Club application be approved.***

As in prior years, BC Assessment will assess City tenants for commercial areas and those areas will be taxable. The taxable portion, which is unknown at this time, is not reflected in this report. Therefore, the estimated tax assistance for City tenants may be slightly overstated.

**SUMMARY AND CONCLUSION:**

The recommended permissive exemption amount for 2022 (\$1,996,364) does not include statutory exemptions provided under Section 220 of the *Community Charter*. Administration recommends that the Standing Committee on Finance and Audit recommend that Council approve the itemized list in the attached 2022 recommended permissive tax exemptions.

**RESPECTFULLY SUBMITTED:**

Kris Dalio, Director of Finance

**APPROVED:**

Walter Babicz, City Manager

Meeting Date: [2021/08/30]