



Corporate Report

2005

NO: R222

COUNCIL DATE: October 3,

REGULAR

TO: Mayor & Council DATE: September 27,
2005

FROM: General Manager,
Finance, Technology &
HR/City Clerk FILE:

SUBJECT: **Tax Exemption Issues
Raised by Council**

RECOMMENDATION

That the information be received.

BACKGROUND

Council has asked staff to provide information on tax exemptions for Heritage homes (exempted 50%), community organizations leasing property from the city (exempted 50%), and whether or not the *Community Charter* permits the city to exempt Legions from taxation.

DISCUSSION

1. Heritage Homes (Bylaw 15838)

Historically, designated heritage homes have been granted a 50% tax exemption. We have researched legislation, and it does not appear that at any time within the last 15 years that heritage home exemptions have been limited to 50%. If Council wishes, the bylaw exempting designated heritage homes may be introduced to permit a full tax exemption for the heritage home and the land on which it stands.

2. Non-Profit Organizations Leasing City Property (Bylaw 15836)

Council Policy P-3 states that a non-profit organization leasing city property will receive a grant of 100% of the lease payment and 50% of the taxes. However, the policy has not been applied consistently to all non-profit organizations leasing property from the City, as some receive 100% exemption and some receive 50% exemption. Council may direct staff, when introducing the bylaw to have all organizations in this category receive a 50% exemption or 100% exemption to be consistent. If Council wishes to apply a 100% exemption, staff will bring forward an amendment to Policy P-3 in due course.

3. Exempting Legions Located in the City (15836)

There are four legions in the City of Surrey; the Cloverdale Branch, the Crescent Beach Branch, White Rock Branch (2290-152 Street) and the Whalley Branch. The Assessment Authority advises that under the Community Charter, Councils may exempt Legions from taxation. The City of Surrey has a Tax Exemption Policy that requires organizations to be non-profit in order to qualify for exemption.

Other jurisdictions advise as follows:

Township of Langley – Legion has not applied for exemption, but would only exempt hall portion

City of Langley – does not exempt

Corporation of Delta – recommending full exemption for their 1 Legion

District of North Vancouver – full exemption for their 2 Legions

The tax revenue from Surrey Legions is as follows:

2290 – 152 Street (White Rock Legion)	\$5456.00
17567 – 57 Avenue (Cloverdale)	\$5536.00
13525 – 106 Avenue (Whalley)	\$8344.00
2643 – 128 Street (Crescent Beach)	\$5557.00

If Council wishes, the above properties may be included in the tax exemption bylaws when considering first reading.

CONCLUSION

Tax Exemption Bylaws, by legislation, are required to be adopted by Council by October 31. If Council wishes to approve 100% exemptions for heritage homes and organizations leasing city properties, and include Legions in the tax exemption bylaw, the following action should be taken under the bylaw section:

1. Bylaw 15836 (Permissive Exemptions)
 - (a) Move first reading with 50% exemptions amended to read 100% exemption; and
 - (b) Include the Surrey Legions in the bylaw.
2. Bylaw 15838 (Heritage Exemptions)
 - (a) Move first reading with the 100% tax exemption to apply to heritage homes.

City Clerk

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General Manager, Finance, Technology & HR