

NO: **R190**

COUNCIL DATE: **September 13, 2010**

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **September 10, 2010**

FROM: **City Clerk**

FILE: **1970-04**

SUBJECT: **SECTION 225 TAX EXEMPTION BY-LAW NO. 17247**
For properties under Section 225 of the *Community Charter*

RECOMMENDATION

The Legislative Services Division recommends that Council:

1. receive this report as information; and
2. grant three readings to "Section 225 Tax Exemption By-law 2010 No. 17247".

BACKGROUND

The permissive exemptions included in the recommended By-law are for heritage properties that fall within Section 225 of the *Community Charter* S.B.C. 2003, Chap. 26, and receive a full tax exemption. There are a few exceptions where the exemptions are for a portion of property because of a non-heritage addition to the site (ie. swimming pool). The legislation provides that a By-law under Section 225 may only come into force for the following year once notice of the proposed By-law has been given and subject to the By-law being adopted on or before October 31 by an affirmative vote of at least 2/3 of all Council members. The *Community Charter* has been amended to require that exemptions under Section 225 receive an affirmative vote by at least 2/3 of all Council members.

DISCUSSION

The City received an application for each of 9 separate heritage properties and all of these properties are included in the recommended By-law.

The estimated total value of the tax exemptions included in the recommended By-law is as follows:

2011	\$14,746.00
2012	\$15,469.00
2013	\$16,227.00

New Applications:

The following property is included in the recommended By-law as a new application:

1. Boothroyd House, 16811 – 60 Avenue – (Schedule A, Item 9)
This property is a designated heritage property by way of "Heritage Revitalization Agreement By-law, 2003, No. 15233". The recommended exemption for this property excludes the parking area ancillary to the commercial establishment contained within the building.

Application Changes:

The following is a list of changes in the recommended By-law in comparison to the By-law for the same category of exemptions adopted in 2009 for the 2010 taxation year.

1. Arthur Hedley House, 11927 – 96A Avenue – (Schedule A, Item 1)
This was a new application last year when subdivision of the property was pending. The subdivision is now complete and the schedule has been updated to reflect the amended legal description, PID number and Folio Number. In addition, this property recently sold and the new owner has applied for the tax exemption for 2011.
2. Creighton House, 10668 – 125B Street – (Schedule A, Item 2)
This property was sold in 2010 and the new owner has applied for the tax exemption for 2011.
3. Robert Dougal MacKenzie House, 5418 – 184 Street – (Schedule A, Item 6)
This property was sold in 2010 and the new owner has applied for the tax exemption for 2011.

CONCLUSION

The Section 225 Tax Exemption By-law includes 9 properties. In accordance with the provisions of the *Community Charter*, the recommended By-law requires an affirmative vote by at least 2/3 of all Council members. Public notice must be given in accordance with the *Community Charter*, following third reading of the By-law. For the properties listed in the By-law to receive a tax exemption in 2011, the By-law must be adopted no later than October 31, 2010.

Jane Sullivan
City Clerk

Appendix I: Tax Exemption Policy Q-27

Appendix II: Section 225 Tax Exemption By-law, 2010, No. 17247



CITY POLICY

No. Q-27

REFERENCE:	APPROVED BY:	CITY COUNCIL
REGULAR COUNCIL MINUTES SEPTEMBER 29, 2003	DATE: <u>MAY 30, 2005</u>	(RES.R05-1362)
	HISTORY: <u>SEPTEMBER 27, 2004</u>	(RES.R04-2574)
		SEPTEMBER 29, 2003 (RES.R03-2358)

TITLE: TAX EXEMPTION POLICY

PURPOSE

This policy is intended to provide guidance in the processing of applications for exemption from property taxes pursuant to Sections 224, 225 and 226 of the *Community Charter*.

Exemptions provided for in Sections 224(1) (g) and (h), and Section 225 of the *Community Charter* are at the discretion of Council. This policy is intended to establish principles, which can serve as a guide in evaluation of applications for exemptions.

POLICY

General

1. Additional exemption under Sections 224(1) (g) and (h), and Section 225 of the *Community Charter* are at the discretion of Council exercised in accordance with those sections. There is no obligation to give exemption. Exemptions cannot be granted if the owner does not qualify under the *Community Charter*.
2. To be considered for exemption, all applications must be consistent with municipal policies, plans, by-laws and regulations.
3. The exemptions can only be considered after the building is constructed, given final occupancy approval by the City and occupied save and except for buildings to which Section 224(1) (g) and (h) of the *Community Charter* applies.
4. Section 225 requires that the exemption be granted by by-law, adopted by a 2/3 majority of Council, prior to October 31 of the year preceding the year of exemption.

5. All exemptions are to be reviewed by staff each year to ensure that, based on the most current available information, they continue to be qualified for the exemption.
6. Exemptions will only be considered for non-profit, charitable organizations or community care and assisted living facilities providing publicly funded care.

Buildings for Public Worship

1. Exempted by the *Community Charter* (Section 224(1)(g))

A building set apart for public worship, and the land on which the building stands.

2. May be Exempted by Council

- a) any church hall considered by the Council to be necessary to the exempted building, and the land on which the church hall stands.
- b) any area of land surrounding the exempted building, an exempted hall, or both.
- c) applications for exemption under this section will be recommended to Council for inclusion in the by-law to exempt areas used by the religious facility for parking, and other portions of the property used for public worship.
- d) any area of land necessary for the church to function, and required by the city to be dedicated for easements/rights-of-way/detention ponds to accommodate city services such as sewer, water, storm sewer may be exempted from taxation.

3. Not to be Considered for Exemption by Council

- a) any areas NOT used for public worship, including accommodation, care homes, retirement homes, hospitals, commercial activities
- b) any lands owned by the place of public worship that are surplus to the facility's needs.

Hospitals

1. Exempted by the *Community Charter* (Section 224(1)(h))

A building set apart and used solely as a hospital under the *Hospital Act*, except a private hospital under that Act.

2. May be Exempted by Council

Any area of land surrounding the building, not including land exempted under the *Hospital Act* or *Hospital District Act*.

Schools

1. Exempted by the *Community Charter* (Section 224(1)(h))

A building owned by an incorporated institution of learning that is regularly giving children instruction accepted as equivalent to that given in a public school, in actual occupation by the institution and wholly in use for the purpose of giving the instruction.

2. May be Exempted by Council

- a) any area of land surrounding the exempted building that Council may, by by-law, exempt as being reasonably necessary in connection with that building.
- b) any area of land necessary for the school to function, and required by the city to be dedicated for easements/rights-of-way/detention ponds to accommodate city services such as sewer, water, storm sewer may be exempted from taxation.

Parks, Recreation & Athletic (Section 224(1)(i))

Council may exempt the land or improvements for certain parks, recreation and athletic purposes, provided the application meets the criteria set out in Section 224(1) (i) of the *Community Charter*.

To qualify for exemption under this section, the applicant must demonstrate that their facility is open to and used by Surrey residents.

Non Profit, Charitable or Philanthropic (Section 224(2)(a))

Council may exempt land or improvements not being operated for profit or gain and owned or held by a charitable, philanthropic organization or other not for profit corporation supported in whole or in part by public funds and used exclusively for charitable or philanthropic purposes.

To qualify for an exemption under this section, the applicant must demonstrate that the services of their organization are available and open to Surrey residents.

Private Hospitals/Institutions Licensed Under the *Community Care Facility Act* (Section 241(1)(j))

Council may exempt:

- a. All of the land or improvements owned or held by a person or organization and operated as a private hospital licensed under the "Hospital Act";
- b. All of the land or improvements owned or held by a person or organization and operated as a non-profit institution licensed under the "Community Care and Assisted Living Act", and
- c. That portion of the land or improvements owned or held by a person or organization and operated as a private organization licensed under the "Community Care and Assisted Living Act" that is providing publicly funded care.

Lands Used or Occupied by A Church as tenant or Licensee

Council may exempt the land or improvements used or occupied by a church as tenant or licensee for the purpose of public worship or for the purposes of a church hall, which Council considers necessary to the church.

The provisions in Section 2, Buildings for Public Worship apply to applications under this section.

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CITY OF SURREY

BY-LAW NO. 17247

A By-law to provide for the exemption from taxation of certain properties in the City of Surrey pursuant to Section 225 of the "Community Charter"

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WHEREAS Council may, by authority of Section 225 of the Community Charter, S.B.C. 2003, Chap. 26, exempt from taxation certain properties;

AND WHEREAS Council deems it expedient to exempt from taxation the properties listed in Schedule A attached hereto.

NOW, THEREFORE, Council of the City of Surrey, in open meeting assembled, ENACTS AS FOLLOWS:

Title

- 1. This By-law may be cited as the "Section 225 Tax Exemption By-law, 2010, No. 17247."

Exemptions

- 2. 100% of the lands or improvements, or portions thereof, as outlined in Schedule "A" attached hereto, are hereby exempt from taxation for the Year 2011 pursuant to Section 225 of the Community Charter, S.B.C. 2003, Chap. 26.

Repeal Section

- 3. "Section 225 Tax Exemption By-law, 2009, No. 16974" is hereby repealed.

PASSED THREE READINGS by the City Council on the ____ day of _____, 2010.

RECONSIDERED AND FINALLY ADOPTED, signed by the Mayor and Clerk and sealed with the Corporate Seal on ____ day of _____, 2010.

_____MAYOR

_____CLERK

Section 225 Tax Exemption By-law 2010, No. 17247

SCHEDULE A

	P.I.D.	LEGAL	Name	Address	Folio No.
1.	028-028-414 **Note – this is a new PID after subdivision of original property	Lot 3 Block 5 North, Section 36 Range 3 West, Plan BCP42131 NWD **note – this is an updated legal description after subdivision of original property**	Arthur Hedley House 225 (2) (b)	11927 – 96A Avenue	3360-02031-5 **Note - this is a new Folio No after subdivision of original property
2.	012-265-420	Lot 1, Section 20, Block 5 North, Range 2 West, NWD, Plan 1587	Creighton House 225 (2) (b)	10668 – 125B Street	2200-00010-8
3.	025-635-794	Lot 2, District Lot 157, Group 2, Plan BCP 4864 (with exempt portion shown hatched on sketch attached hereto)	Daniel Johnson House 225 (2) (b)	Portion of 13951 Crescent Road	5700-01132-3
4.	026-507-323	Lot 2, Section 21, Tp. 1, Plan BCP 21102 NWD (with exempt portion shown hatched on sketch attached hereto).	Feedham House 225 (2) (b)	Portion of 14040 – 32 nd Avenue	5214-01024-2
5.	008-892-571	Lot 4, Section 25, Township 1, NWD, Plan 26296, (with exempt portion shown hatched on sketch attached hereto)	Historic Collishaw Farm 225 (2) (b)	Portion of 16520 – 40 Avenue	5254-03002-1
6.	004-613-422	Lot 22, Section 4, Township 8, NWD, Plan 58597, (with exempt portion shown hatched on sketch attached hereto)	Robert Dougal MacKenzie Heritage House 225 (2) (b)	Portion of 5418 – 184 Street	8043-21002-0
7.	004-294-408	Lot 25, District Lot 52, Block 4, Plan 2200 NWD	Rothwell House 225 (2) (b)	2598 O’Hara Lane	5700-24002-6

	P.I.D.	LEGAL	Name	Address	Folio No.
8.	012-589-748	Lot 24, Block 4, DL 52, Group 2, Plan 2200 NWD.	Willard Kitchen Heritage House 225 (2) (b)	2590 O'Hara Lane	5700-23002-1
9.	025-971-832	Portion of Lot 1, Section 7 Township 8, Plan BCP11903 NWD (with exempt portion shown hatched on sketch attached hereto)	Boothroyd House 225(2) (b)	Portion of 16811 - 60 Avenue	8073-00023-4