

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **September 12, 2018**

FROM: **General Manager, Corporate Services** FILE: **1970-04**

SUBJECT: **Proposed 2019 Permissive Property Tax Exemptions for Properties Leased for the Purpose of Public Worship**

RECOMMENDATION

The Corporate Services Department recommends that Council:

1. Receive this report for information; and
2. Authorize the City Clerk to bring forward "Section 224 (2) (g) Tax Exemption Bylaw, 2018, No. 19666" (the "Bylaw") for the required readings.

INTENT

The purpose of this report is to request that Council consider permissive tax exemptions pursuant to Section 224(2)(g) of the *Community Charter*, S.B.C. 2003, Chap. 26 (for properties leased for Public Worship) and in accordance with the City's Tax Exemption Policy.

BACKGROUND

The exemptions permitted under Section 224 (2) (g) of the *Community Charter* relate to land or improvements used or occupied by a religious organization as a tenant or licensee, for the purpose of public worship, or for the purposes of a hall that Council considers is necessary to land or improvements used or occupied by a religious organization as a tenant or licensee. Permissive exemptions under this provision require notice to the public. A Bylaw under Section 224 (2)(g) may only come into effect for the next taxation year once public notice of the proposed bylaw has been given and subject to the Bylaw being adopted on or before October 31 of the year prior to the taxation year for which the exemption is approved.

DISCUSSION

The City received 20 applications from the tenants of leased properties in relation to a Section 224(2)(g) property tax exemption for 2019 of which two (2) are new applications. In each case, the application was reviewed by a staff team and verifications conducted to ensure that the related

property met the criteria outlined in legislation and the related City policy for such an exemption. In the case of new applicants and those requesting changes to their exemption, site visits may be undertaken and consultation with inspectors from BC Assessment held to ensure that the property is deemed a place of public worship and meets the requirements of Section 224(2)(g).

The following changes have been incorporated into the proposed Bylaw for the 2019 taxation year in comparison to the exemptions that were adopted by Council in the equivalent Bylaw related to the 2018 taxation year:

New Applications:

1. Love Family Christian Assembly, 13555 – 105A Avenue, Schedule A, Item 16
This Society is a registered charity providing public worship services at the subject property. The portion of the property leased for public worship has been included in the proposed Bylaw for Council's consideration.
2. Spanish Alliance Church, 10492 City Parkway, Schedule A, Item 18
This Society is a registered charity providing public worship services at the subject property. The portion of the property leased for public worship has been included in the proposed Bylaw for Council's consideration.

Application Changes:

1. Calvary Worship Centre, 11125 – 108 Avenue, Schedule A, Item 2
The church has been operating at this property under Temporary Use Permit (“TUP”) No. 7915-0203-00, which expires in October 2018. The Society has contacted the Planning and Development Department to begin the application process for a new TUP. The Tax Exemption Committee recommends that Council grant provisional permissive tax exemption with the requirement that the applicant apply for a new TUP by October 31, 2018.
2. Peace House International Ministry,
The Society has purchased and moved to a new property in 2018 and continues to provide public worship services to its congregation. The Society is receiving a 100% statutory exemption under Section 220(1)(h) as a church in strata, administered by BC Assessment.

The proposed Bylaw attached as Appendix "I" to this report includes the above-referenced amendments in Schedule A, which have been bolded for clarity. The proposed Bylaw includes a total of 32 distinct properties or strata units leased to the 20 applicants and recommended for either full or partial property tax exemption.

Public Notice

In accordance with Section 227 of the *Community Charter*, public notification of the estimated value of property tax exemptions will be advertised for two consecutive weeks in a local newspaper in advance of the bylaw being forwarded to Council for adoption. The public notification process requires that an estimate of the total value of the property tax exemptions proposed under the Bylaw be provided for each of the following 3 years.

The estimated total value of the property tax exemptions as recommended in the Bylaw attached as Appendix "I" to this report is as follows:

2019: \$71,163
2020: \$74,470
2021: \$78,469

CONCLUSION

Based on the above discussion, it is recommended that Council:

- Receive this report for information; and
- Authorize the City Clerk to bring forward "Section 224 (2) (g) Tax Exemption Bylaw, 2018, No. 19666" for the required readings.

Rob Costanzo
General Manager, Corporate Services

SH/RAC/jhs

Appendix "I": "Section 224 (2) (g) Tax Exemption Bylaw, 2018, No. 19666"

CITY OF SURREY

BYLAW NO. 19666

A Bylaw to provide for the exemption from property taxation
of certain properties in the City of Surrey pursuant to
Section 224 (2) (g) of the *Community Charter*
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WHEREAS Council may, by authority of Section 224 (2) (g) 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 ENACTS AS FOLLOWS:

Title

1. This Bylaw may be cited as the "Section 224 (2) (g) Tax Exemption Bylaw, 2018, No. 19666".

Exemptions

2. The lands or improvements, or portions thereof, as outlined in Schedule A attached hereto, are hereby exempt from taxation for the Year 2019 pursuant to Section 224 (2) (g) of the *Community Charter*, subject to the conditions provided for in this Bylaw.

Conditions

3. Where:
 - (a) a transfer, sale, or lease is made of property exempt from taxation under this Bylaw to some person not entitled to such exemption; or
 - (b) property used for some purpose which would entitle it to exemption under this Bylaw ceases to be so used; or

- (c) property exempt from taxation under this Bylaw ceases to meet the conditions necessary to qualify for the exemption including, but not limited to, compliance with City policies and bylaws,

the property shall be liable to taxation from the date of the transfer, sale, lease, or change of use or conditions, as the case may be (the "Taxation Date").

- 4. Where the assessment roll is completed before the transfer, sale, lease or change of use or conditions described in Section 3 of this Bylaw comes to the attention of the collector:
 - (a) the collector will provide written notice to the transferee, purchaser, lessee, or other person who, but for the exemption, would have been liable to taxation; and
 - (b) the person described in (a) shall pay to the City an amount equal to the total taxes that, but for the exemption, would have been payable on the property from the Taxation Date, together with interest compounded annually at the rate described in Section 246 of the *Community Charter*.

Repeal Section

- 5. "Section 224 (2) (g) Tax Exemption Bylaw, 2017, No. 19348" is hereby repealed.

PASSED FIRST READING on the th day of , 2018.

PASSED SECOND READING on the th day of , 2018.

PASSED THIRD READING on the th day of , 2018.

NOTICE OF INTENTION ADVERTISED in the SURREY NOW-LEADER AND PEACE ARCH NEWS Newspapers on the th and th day of , 2018.

RECONSIDERED AND FINALLY ADOPTED, signed by the Mayor and Clerk and sealed with the Corporate Seal on the th day of October, 2018.

_____MAYOR

_____CLERK

Section 224 (2) (g) Tax Exemption Bylaw, 2018, No. 19666

SCHEDULE A

	PID	LEGAL	Name	Address	Folio No.
1.	024-942-626	That 4,000 sq ft portion of Lot B, Section 29, Township 2, NWD Plan LMP48694, leased and occupied for the purpose of public worship	Bear Creek Punjab Cultural Society 224(2)(g)	8580 – 132 Street	6294-91001-8
2.	027-087-514	Strata Lot 22, Section 20, Township 2 NWD Strata Plan BCS1830, leased and occupied for the purpose of public worship	Calvary Grace Church (Faith and Vision) 224(2)(g)	#121, 7536 – 130 Street	6202-98036-9
3.	018-689-949	That 33,767 sq ft portion of Lot C (BH110375), Section 18, Block 5 North, Range 2 West, NWD Plan 69522, Except Plan EPP507, leased and occupied for the purpose of public worship	Calvary Worship Centre 224(2)(g)	Portion of 11125 – 124 Street	2180-92001-5
4.	024-047-171 024-047-180 024-047-198 024-047-201	That 3,000 sq ft portion of Strata Lots 3, 4, 5 and 6 Section 17 Block 5 North Range 2 West NWD Strata Plan LMS3109 Together With An Interest in the Common Property In Proportion to the Unit Entitlement of the Strata Lot As Shown On Form 1 leased and occupied for the purpose of public worship	Celebration Christian Fellowship International 224(2)(g)	#105 – 12332 Pattullo Place	2170-98004-0 2170-98005-2 2170-98006-4 2170-98007-6

	PID	LEGAL	Name	Address	Folio No.
5.	004-421-345	That 7,200 sq ft portion of Lot 1 Except: Firstly; Parcel A (Bylaw Plan 64918), Secondly; Part Dedicated Road on Plan LMP44217, Thirdly; Part Dedicated Road on Plan LMP51680, Section 29, Township 2, NWD Plan 62609, leased and occupied for the purpose of public worship	Celebration Life Ministries 224(2)(g)	Unit 2A, 13139 – 80 Avenue	6292-00004-7
6.	002-288-524	That 4,500 sq ft portion of the second floor of Lot 152, Section 18, Block 5 North Range 1, West NWD Plan 62582, leased and occupied for the purpose of public worship	Connecting Community Church 224(2)(g)	Portion of 14625 – 108 Avenue	1180-80102-7
7.	018-178-880	Lot 1, Section 29, Township 2, NWD Strata Plan LMS795 Together With An Interest in The Common Property In Proportion to the Unit Entitlement of the Strata Lot As Shown On Form 1, leased and occupied for the purpose of public worship	Faith Dominion Ministry 224(2)(g)	Unit 1, 12988 – 84 Avenue	6292-98043-1
8.	001-093-347	That 7,100 sq ft portion of Lot 203, Section 20, Township 2, NWD, Plan 62200, leased and occupied for the purpose of public worship	Grace Baptist Church 224(2)(g)	#4 – 13570 – 78 Avenue	6204-85202-4
9.	018-495-915	Lot F, Block 319, District Lot 526 Plan LMP 12742, leased and occupied for the purpose of public worship	Great Light Healing Ministries International 224(2)(g)	12059 – 88 Avenue	6312-92006-9
10.	001-184-342	That 3,897 sq ft portion of Lot 52, Section 28, Block 5 North Range 1, NWD, Plan 58484, leased and occupied for the purpose of public worship	Guildford Islamic Cultural Centre 224(2)(g)	#101, 15290 – 103A Avenue	1280-50502-3

	PID	LEGAL	Name	Address	Folio No.
11.	010-205-772	Lot 1, Except: Part On Plan With Bylaw Filed A14399; Section 24 Block 5 North Range 2 West NWD Plan 16807, leased and occupied for the purpose of public worship	Hahn Seok Buddhist Foundation 224(2)(g)	14069 – 104 Avenue	2240-00014-4
12.	025-175-009	Lot 1, Section 15, Township 2, NWD, Plan LMP51687, leased and occupied for the purpose of public worship	Ismaili Jamatkhana Prayer Facility 224(2)(g)	15177 – 68 Avenue	6154-00007-8
13.	017-751-586	Lot 15, Section 10, Township 2, NWD, Plan NWS 3426, leased and occupied for the purpose of public worship	Jain Center of BC 224(2)(g)	#208, 14770 – 64 Avenue	6103-98029-X
14.	024-997-978 024-997-960 024-997-951 024-997-986 024-997-994 024-998-052 024-998-044 024-998-079 024-998-061	Lots 4, 5,6, 7, 8, 13, 14, 15 and 16, Section 20, Township 2, NWD Strata Plan LMS 4385, Together With An Interest in The Common Property In Proportion to the Unit Entitlement of the Strata Lot As Shown On Form 1, leased and occupied for the purpose of public worship	Khalsa Diwan Society of BC 224(2)(g)	103, 7938 – 128 Street	6203-98204-0 6203-98203-9 6203-98202-7 6203-98205-2 6203-98206-4 6203-98212-X 6203-98211-8 6203-98214-3 6203-98213-1
15.	011-339-900	That 1,166 sq ft portion of Lot "A", Section 8, Township 8, NWD Plan 8731, leased and occupied for the purpose of public worship	Lighthouse Spiritual Centre 224(2)(g)	5722 – 176A Avenue	8082-90030-1
16.	009-858-369	That 1300 square foot portion of Lot 3, Block 2, Section 22, Range 2, Plan 13930 NWD, leased and occupied for the purpose of public worship.	Love Family Christian Assembly 224(2)(g)	13555 – 105A Avenue	2220-02012-5

	PID	LEGAL	Name	Address	Folio No.
17.	010-048-863	That 2,928 sq ft portion of Parcel A of Lot 68, Ref Plan 45360, Section 22, Range 2 Plan NWP15002, NWD, leased and occupied for the purpose of public worship	Spanish Alliance Church 224(2)(g)	10492 City Parkway	2220-90016-2
18.	001-184-342 001-184-351	That 6,204 sq ft (unit 103) and that 2,701 sq ft (unit 105) portion of Lot 52 and Lot 53, Section 28, Block 5 North Range 1 West, NWD Plan 58484, leased and occupied for the purpose of public worship	Praise International Church 224(2)(g)	15290-103A Ave and 10304 - 152A Street (known as #103 and #105 - 15310 - 103A Avenue)	1280-50502-3 1280-51002-X
19.	011-384-328	Lot 46, Section 22, Block 5 North, Range 2 West, NWD Plan 9117, leased and occupied for the purpose of public worship	Transformation Christian Centre 224(2)(g)	10704 City Parkway	2220-45002-8
20.	023-852-020	That 1,615 sq ft portion of Strata Lot 4, Section 22, Township 1, NWD Strata Plan NW2669, Together With An Interest in The Common Property In Proportion to the Unit Entitlement of the Strata Lot As Shown On Form 1, leased and occupied for the purpose of public worship	White Rock South Surrey Jewish Community Centre 224(2)(g)	32 - 3033 King George Boulevard	5224-98014-8