

**REPORT TO THE ELECTORAL AREA SERVICES COMMITTEE
MEETING OF WEDNESDAY, 05 SEPTEMBER 2007**

SUBJECT **Permissive Tax Exemption**

PURPOSE/ISSUE

The purpose of this report is to consider a request by the Pender Island Golf & Country Club and Galiano Golf and Country Club for a permissive tax exemption.

HISTORY/BACKGROUND

Under Section 809 (4)(a) of the *Local Government Act* the Capital Regional District may provide tax exemption for lands or improvements in an electoral area held by an athletic or service organization and used principally for public recreation purposes. Section 809 provides that prior to October 31st of any year, the CRD Board, by bylaw adopted by two-thirds of the votes cast, may exempt from taxation certain lands and improvements or both for the next calendar year.

Prior to 1999, those properties were granted an automatic exemption under the Taxation (Rural) Act. In 1999, the administration of this type of community use tax exemption reverted to Regional Districts.

Since the year 1999 the following two properties have been granted a permissive exemption from taxation:

1. Pender Island Golf & Country Club
2305 Otter Bay Road
Pender Island, B.C.

2. Galiano Golf and Country Club
24 St. Andrews Drive
Galiano, B.C.

ALTERNATIVES

1. By by-law, exempt the above noted properties from taxation for the year 2008. (This is in response to their requests for exemption and in keeping with the practice of exemption since 1999.)
2. Do not exempt the properties from taxation for the year 2008. Tax bills would increase significantly as would the necessity to increase fees in order to reduce operating costs. (This is not in keeping with the past practice of granting them an exemption based on community recreational use.)

FINANCIAL IMPLICATIONS

The estimated property taxes for 2007 on the two properties is \$16,231. Of the total, \$1,260 represents CRD charges, \$484 for CRHD with the balance of \$14,577 being remitted to other levels of government.

SUMMARY/CONCLUSIONS

Both properties have applied for (see attached letters) and been granted a permissive tax exemption since 1999. The two entities qualify for exemption under Section 809 of the *Local Government Act* and their request is supported by the Director for the Southern Gulf Islands Electoral Area.

RECOMMENDATION(S)

That Bylaw No. 3463, "Tax Exemption (Permissive) Bylaw, 2007" be introduced and read a first time, read a second time, read a third time and adopted.

Rita M. Estock, Dip Bus Admin, FCGA
Financial Services Division

General Manager
Corporate Services

C.A.O. Concurrence

Attachs.

COMMENTS: