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REPORT TO THE ELECTORAL AREA SERVICES COMMITTEE
MEETING OF WEDNESDAY, 06 AUGUST 2008

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 Crescent
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

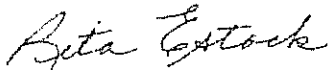
The estimated property taxes for 2008 on the two properties is \$15,051. Of the total, \$1,262 represents CRD charges, \$473 for CRHD with the balance of \$113,357 being remitted to other levels of government.

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)

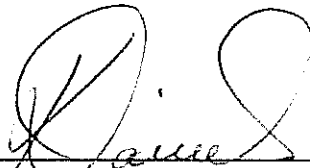
That Bylaw No. 3554, "Tax Exemption (Permissive) Bylaw, 2008" be introduced and read a first time, read a second time, read a third time and adopted.



Rita M. Estock, DBusM, FCGA
Financial Services Division



Diana E. Lokken, Dip Bus Admin, CGA
General Manager Corporate Services



Kelly Daniels
C.A.O. Concurrence

Attachments

COMMENTS:

CAPITAL REGIONAL DISTRICT
BYLAW NO. 3554

A BYLAW TO AUTHORIZE A TAX EXEMPTION BY THE
CAPITAL REGIONAL DISTRICT FOR LANDS OR IMPROVEMENTS
WHICH QUALIFY FOR A PERMISSIVE EXEMPTION UNDER SECTION 809

WHEREAS:

- A. 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;
- B. Section 809 of the *Local Government Act* provides that prior to October 31st of any year, the Capital Regional District Board, by bylaw adopted by two-thirds of the votes cast, may exempt from taxation imposed under Section 809 of the *Local Government Act*, certain lands and improvements or both, for the next calendar year;
- C. The Board wishes to exempt certain land and improvements owned, held or operated for the uses or purposes set out in Section 809 (4) (a) of the *Local Government Act* from taxation for the calendar year 2009;

NOW THEREFORE, the Regional Board of the Capital Regional District in open meeting assembled, enacts as follows:

- 1. Each parcel of land described in Schedule "A" attached to this bylaw and any improvements on the land shall be exempt from taxation under Section 809 of the *Local Government Act* for the year 2009 by virtue of its being used, held, owned or occupied by the organizations named in the Schedule;
- 2. This Bylaw may be cited as "Tax Exemption (Permissive) Bylaw, 2008".

READ A FIRST TIME THIS	day of	2008
READ A SECOND TIME THIS	day of	2008
READ A THIRD TIME THIS	day of	2008
ADOPTED THIS	day of	2008

CHAIR

SECRETARY

BYLAW NO. 3554
SCHEDULE "A"

OWNER/OCCUPIER OR HOLDER

LAND OR IMPROVEMENTS

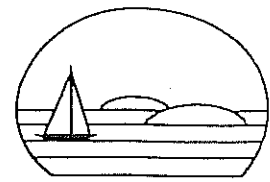
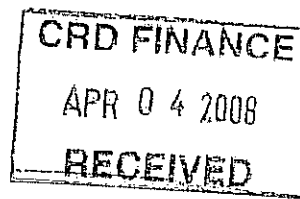
- | | |
|--------------------------------------|--|
| 1) Pender Island Golf & Country Club | 1) Lot A, Plan VIP52327, Section 17,
Cowichan Land District, Portion Pender
Island (2314 Otter Bay Road)
Tax Roll # 01-64-764-08647.010 |
| 2) Galiano Golf & Country Club | 2) Lot AM11, Block 1, Plan 24167,
District Lot 4, Cowichan District,
Portion Galiano Island, and
Lot 6, Block 2, District Lot 4, Galiano
Island, Cowichan District, Plan 24167
(Linklater Road)
Tax Roll No. # 01-64-764-02192.023 |

Pender Island Golf & Country Club

2305 Otter Bay Road

P.O. Box 6
Pender Island, B.C., V0N 2M0

Phone: (604) 629-6659



*A scenic 9 - hole golf course
located on Pender Island
amidst B.C.'s beautiful
Gulf Islands.*

March 31, 2008

Board of Directors,
Capital Regional District,
PO Box 1000,
625 Fisgard Street,
Victoria, BC V8W 2S6

Dear Directors:

The Pender Island Golf and Country Club respectfully requests exemption from taxes under Section 809 (3) (a) of the Local Government Act.

Background:

The Pender Island Golf and Country Club has been in existence since 1937 and, except for a period during the Second World War the golf course has been in operation ever since. The Golf Club was incorporated under the Societies Act on July 3, 1945, Charter No. 1047671-7. The purpose of this Society as stated in the constitution is to maintain the Golf Club "for the convenience, use and pleasure of club members and the public". The constitution also states that should the Golf Club cease to exist, "the land will remain for recreational purposes".

The Club in the Community:

The Pender Island "community" is quite small, with about 2000 full time residents, a high percentage of whom are retired or semi-retired. In terms of recreation the area is somewhat isolated. The Golf Club has junior, intermediate, social and regular memberships for a total of about 400 members. Also, the Golf Club provides recreational opportunities to more than this number on a casual green fee basis. With few other recreation activities on the islands other than boating and walking, we are the largest provider of recreation on Pender Island. There are no bowling facilities, no public swimming pool, no curling or hockey rinks and no theatre.

Other than for children under the age of seven years, for safety and liability reasons, there are no restrictions to membership in the Golf Club. While members can play as often as they wish, there are no preferential tee times for members – all golfers play on a first-come, first-to-play basis, whether a green fee player or a club member.

Pender Island is very much a volunteer environment and the Golf Club is no exception. The club was built by volunteers and volunteers continue to help maintain the course and work to continually improve the course.

Each year a "Pro-Am" tournament is held and all proceeds are donated to local community organizations. Last year's proceeds were a record amount, with donations made to the Pender Island Medical Clinic and to the Rogers Coleman Bursary Fund.

A very active junior golf program is provided free of charge to junior golfers through our involvement with Pender Island School. Also, adult lessons are provided one evening a week with many senior residents getting recreational enjoyment through this program.

We also cooperate in providing employment and training for two students through the Summer Student Employment Program. As well, employment is provided for eight full or part time employees.

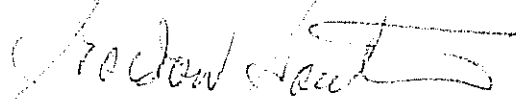
Tax History:

We have requested a tax exemption each year since 1999 and each year since then an exemption has been granted.

We endeavour to be fiscally responsible and at the same time provide a satisfactory product, at as low a cost as possible. The club has maintained its fees and charges at break even levels. A tax bill would place a heavy burden on our financial situation and would undoubtedly necessitate higher recreation costs to the community, as well as reductions in services and employment.

We respectfully request a tax exemption under Section 809 (3) (a) for the year 2009. If you require additional information regarding this request we would be pleased to provide same.

Yours truly,



Gordon Souter
President, Pender Island Golf and Country Club

Enclosure: Copy of 2008 Assessment Notice

Cc: Susan DeGryp, CRD Director

GALIANO GOLF & COUNTRY CLUB

24 St Andrews Crescent

Galiano Island, B.C. V0N 1P0

Phone: 250 539-5533 Fax: 250 539-5597

July, 2008

CRD Finance Department
Victoria, B.C.

Attention: Rita Estock

The Galiano Golf & Country Club is requesting relief from taxation for the year of 2009 under Section 843 of the Municipal Act.

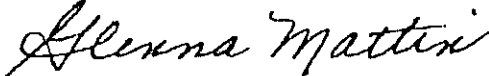
Relief from taxation has been provided to our golf club since the year 2000.

Our club continues to operate as a non profit society providing a public recreational facility to residents and visitors alike. We provide free golf lessons to students of our Galiano School, and are also providing free golf lessons for children age 8 years and over once a week for the month of July.

In past we have provided documentation on the History of our Club. We would be pleased to update this information for you if it is needed.

Thank you for your consideration of this request.

On behalf of the Board of Directors,



Glenna Mattin
Treasurer