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**REPORT TO THE ELECTORAL AREA SERVICES COMMITTEE
MEETING OF WEDNESDAY, SEPTEMBER 4, 2013**

SUBJECT: Electoral Area Permissive Tax Exemptions

ISSUE:

To consider requests by the Pender Island Golf & Country Club, Galiano Golf and Country Club and Magic Lakes Property Owners Society (MLPOS) for permissive tax exemptions on certain properties for 2014.

BACKGROUND:

Under Section 809(3) of the *Local Government Act* the Capital Regional District (CRD) 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, as defined in Section 809(4)(a). 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: Pender Island Golf & Country Club, 2305 Otter Bay Road, Pender Island, B.C. and Galiano Golf and Country Club, 24 St. Andrews Crescent, Galiano, B.C.

Magic Lake Property Owners Society has requested an exemption for properties at Thieves Bay and Mouat Park on Pender Island.

ALTERNATIVES:

1. That the Committee recommend to the Board that Bylaw No. 3912, "Tax Exemption (Permissive) Bylaw, 2013" be introduced and read a first time, read a second time, read a third time and adopted.
2. That the properties not be exempted from taxation for the year 2014.

IMPLICATIONS:

The estimated total property taxes for 2014 on the two golf course properties would be \$14,700. Of this total, \$3,600 represents CRD charges, \$600 for Capital Regional Hospital District (CRHD), with the balance of \$10,500 relating to other levels of government.

The request from Magic Lake Property Owners Society (MLPOS) for Thieves Bay Marina (roll # 1-764-13027.025) is for all of the property including the water lot, marina improvements and land. A portion of the property (marina berths) is not open to the general public, so is not eligible for an exemption. The land portion of the property is open for public use and meets the test of being used principally for public recreation. Only the land portion that is open to public use is therefore recommended to be given permissive exemption. The estimated tax reduction for MLPOS is \$1,680 of which the CRD's charge is \$1,100 including parcel taxes.

The second property for which MLPOS has requested exemption, (Roll # 1-764-08454.397) is for Mouat Park which is open to the public and therefore meets the test of being used principally for public recreation. It is already classed as exempt.

SUMMARY/CONCLUSIONS:

Both the golf course 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.

The request from Magic Lake Property Owners Society for exemption of the Thieves Bay Marina and Mouat Park is recommended for the land portion only.

RECOMMENDATION:

That the Committee recommend to the Board that Bylaw No. 3912, "Tax Exemption (Permissive) Bylaw, 2013" be introduced and read a first time, read a second time, read a third time and adopted.

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Attachments (4):
Bylaw (1)
Correspondence (3)