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ADMINISTRATIVE REPORT

Report Date: March 24, 2009  
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Meeting Date: March 24, 2009

TO: Vancouver City Council  
FROM: Director of Finance  
SUBJECT: 2008 Property Tax Exemptions

INFORMATION

*The 2008 Property Tax Exemptions Report is submitted to Council for information.*

COUNCIL POLICY

Section 396 of the *Vancouver Charter* stipulates two types of property tax exemptions:

- **Statutory Exemptions** - Specified in the *Vancouver Charter* as well as the federal *Constitution Act*, these exemptions are administered by the BC Assessment Authority. Council approval is not required. These include properties owned and occupied by senior governments, City of Vancouver, schools, hospitals, and certain non-profit organizations.
- **Permissive Exemptions** - These exemptions require Council approval by a two-thirds vote based on criteria set out by Council. These include heritage, riparian and revitalization exemptions.

In 2003, Council established the Heritage Building Rehabilitation Program to facilitate the upgrading of heritage buildings and to foster economic revitalization within the Downtown Eastside (DTES) historic area: Gastown, Chinatown, Hastings Street Corridor, and the Victory Square. Among the program incentives is the use of permissive exemptions for heritage properties.

It is Council policy that tenants occupying City-owned properties for non-civic use make lease payments that include a payment equivalent to property taxes to ensure equity among tenants occupying private property and those occupying tax exempt City-owned property.

Section 219 of the *Vancouver Charter* stipulates that, as part of the Operating Budget process, a report be submitted to Council, by April 30, outlining the objectives and policies in relation to the use of heritage, riparian, and revitalization exemptions for the year.

## PURPOSE

The purpose of this report is to summarize the property tax exemptions that are available to real property in the City and the offsetting payments-in-lieu of taxes payable to the City in 2008.

## DISCUSSION

Section 396 of the *Vancouver Charter* outlines the eligibility requirements for property tax exemptions (Attachment A).

### *Statutory Exemptions (396(1))*

The following exemptions are *statutory* in nature and are administered by the BC Assessment Authority when determining their taxable statuses. Council approval is not required. For eligible properties, all taxes levied by the City and other taxing authorities are exempt.

- Real property owned and occupied by senior governments
- City-owned real property
- Charitable institutions
- Institutions of learning wholly in use for providing education to children
- Hospitals receiving aid under the *Hospital Act*
- Churches in use for the public worship of God
- Real property occupied by Simon Fraser University
- Emergency shelters
- Land and improvements in use for pollution control
- Vancouver Court House
- British Columbia Cancer Agency

### *Payments-in-lieu of Taxes*

The federal and provincial governments have passed the *Payments in Lieu of Taxes Act* and the *Grants-in-lieu Land Procedure* respectively to provide for payments-in-lieu of taxes to local governments for certain exempt properties they own and occupy. These payments are calculated on the basis of their assessed values and local tax rates, which is essentially equivalent to the amount which would be paid by a taxable owner, and are subject to approval of the appropriate Minister.

To ensure equity in leasing exempt City-owned properties and private properties, Council has a policy of requiring tenants of City-owned properties to make lease payments which include an amount equivalent to property taxes.

### *Permissive Exemptions (396 A, C and E)*

The following exemptions are *permissive* in nature and Council approval, by at least two-thirds of the votes cast, is required when determining the eligibility of individual properties in accordance with program criteria set by Council.

*Heritage Property Exemptions (396A)* - The primary purpose of these exemptions is to promote conservation of eligible heritage properties. Without these exemptions, the heritage values might not be retained, or the redevelopment leading to new values and property taxes might not occur. If eligible, all taxes levied by the City and other taxing authorities will be exempt for a maximum of 10 years. To-date, Council has approved 19 exemptions under this category: two were in effect in 2008 and two more are anticipated to take effect in 2009.

*Riparian Property Exemptions (396C)* - The primary purpose of these exemptions is to promote conservation of eligible riparian properties. If eligible, all taxes levied by the City and other taxing authorities will be exempt. To-date, Council has not approved any exemptions under this category.

*Revitalization Tax Exemptions (396E)* - Enacted in 2007 by the provincial government, the primary purpose of these exemptions is to provide Council with a tool to promote economic, social or environmental revitalization. If eligible, only the City's general purpose taxes will be exempt. To-date, Council has not approved any exemptions under this category.

### *Summary of 2008 Property Tax Exemptions*

Table 1 below summarizes the 2008 statutory and permissive tax exemptions for real property in the City.

Table 1: 2008 Summary of Exempt Properties - Statutory and Permissive

Exemptions	# of Properties	Gross Assessed Value	Exempt Value	Forgone Property Taxes	Payments-in-Lieu of Taxes
<b>STATUTORY EXEMPTIONS</b>					
Federal & Crown Agencies					
Federal Crown & Agencies	159	1,068,707,602	1,068,707,602	9,707,762	7,526,255
Airport Authorities	8	465,800	465,800	5,038	5,038
	<i>167</i>	<i>1,069,173,402</i>	<i>1,069,173,402</i>	<i>9,712,800</i>	<i>7,531,293</i>
Provincial & Crown Agencies					
Provincial Crown	227	1,528,358,000	1,528,358,000	9,957,872	2,457,193
BC Hydro	33	364,895,900	364,895,900	9,806,907	8,335,268
Senior Housing	3	38,468,000	38,468,000	73,458	-
Vancouver Court House	1	187,082,000	187,082,000	1,765,692	2,023,389
	<i>264</i>	<i>2,118,803,900</i>	<i>2,118,803,900</i>	<i>21,603,928</i>	<i>12,815,851</i>
Consular Properties	17	36,915,300	36,915,300	113,749	197,259
Metro Vancouver	73	140,329,500	140,329,500	898,550	6,865
Translink	37	772,136,500	772,136,500	26,436,788	-
Charitable Organizations	180	611,846,300	611,846,300	2,881,579	-
Educational Institutions					
Colleges	7	379,016,600	379,016,600	3,699,960	-
Other Universities	2	63,830,600	63,830,600	581,444	-
Private Schools	42	381,751,900	381,751,900	3,478,393	-
Public & FEA Schools	124	2,984,498,100	2,984,498,100	28,513,758	-
Simon Fraser University	3	44,022,000	44,022,000	501,445	19,553
	<i>178</i>	<i>3,853,119,200</i>	<i>3,853,119,200</i>	<i>36,774,999</i>	<i>19,553</i>
Hospital and Health Authorities	48	1,418,421,700	1,418,421,700	14,209,194	-
BC Cancer Agency	2	155,082,000	155,082,000	1,647,617	-
	<i>50</i>	<i>1,573,503,700</i>	<i>1,573,503,700</i>	<i>15,856,811</i>	<i>-</i>
Churches	236	582,776,200	582,776,200	1,206,773	-
<b>Non-CoV Properties</b>	<b>1,202</b>	<b>10,758,604,002</b>	<b>10,758,604,002</b>	<b>115,485,977</b>	<b>20,570,822</b>
CoV Properties	1,319	12,324,929,500	12,324,929,500	66,226,504	10,791,626
<b>TOTAL STATUTORY EXEMPTIONS</b>	<b>2,521</b>	<b>23,083,533,502</b>	<b>23,083,533,502</b>	<b>181,712,481</b>	<b>31,362,447</b>
<b>PERMISSIVE EXEMPTIONS</b>					
Heritage Properties					
50 Water Street	1	7,603,000	7,581,000	81,997	-
42 Water Street	1	2,805,000	2,805,000	23,478	-
<b>TOTAL PERMISSIVE EXEMPTIONS</b>	<b>2</b>	<b>10,408,000</b>	<b>10,386,000</b>	<b>105,475</b>	<b>-</b>
<b>TOTAL EXEMPTIONS</b>	<b>2,523</b>	<b>23,093,941,502</b>	<b>23,093,919,502</b>	<b>181,817,956</b>	<b>31,362,447</b>

In 2008, 2,523 properties with an assessed value of \$23.1 billion were exempt, which is equivalent to 12.7% of the assessed value on the 2008 Assessment Roll. General purpose taxes forgone totalled \$181.8 million.

Statutory exemptions accounted for 2,521 properties with an assessed value of \$23.08 billion, and \$181.7 million in forgone taxes. Included were 1,319 City-owned properties in use for delivering civic services and programs, and those for non-civic purposes within the Property Endowment Fund.

Within the permissive exemption category, Council approved 19 exemptions under the Heritage Building Rehabilitation Program. Of the 19 exemptions, two were in effect in 2008 with an assessed value of \$0.01 billion, and \$0.1 million in forgone taxes; and two more are anticipated to take effect in 2009.

Payments-in-lieu of taxes totalling \$31.4 million were payable to the City, of which \$20.6 million was applicable to properties owned and occupied by senior governments and \$10.8 million was received from tenants of City-owned properties in the form of lease payments which include payments equivalent to property taxes.

#### **FINANCIAL IMPLICATIONS**

There is no financial impact.

Values of exempt properties are not factored into general purpose tax rate calculations. Any payments-in-lieu of taxes received on exempt properties are reported as general revenues. Any forgone taxes are shared among non-exempt properties in the normal course of balancing the annual operating budget.

#### **CONCLUSION**

Section 396 of the *Vancouver Charter* stipulates circumstances under which real property in the City can be exempt from property taxation. These include statutory exemptions which are administered by the BC Assessment Authority; and permissive exemptions covering heritage properties, riparian properties, and properties deemed important to specific revitalization objectives, which are subject to Council approval.

\* \* \* \* \*

*Liability to taxation*

396. (1) All real property in the city is liable to taxation subject to the following exemptions: —

*Crown exempt; tenant or occupier liable*

(a) Crown lands; provided, however, that the right or interest of an occupier of Crown lands, not holding in an official capacity, shall be liable to taxation, and he shall be personally liable therefor as if he were the owner of such real property, but the property shall not be subject to lien under section 414 nor subject to tax sale under section 422:

*City property exempt*

(b) Real property vested in the city and Crown lands leased by the city for park purposes:

(c) Real property

*Also charitable institutions*

(i) if

(A) an incorporated charitable institution is the registered owner or owner under agreement, either directly or through trustees, of the real property, and

(B) the real property is in actual occupation by the incorporated charitable institution and is wholly in use for charitable purposes;

*And certain institutions of learning*

(ii) of which an incorporated institution of learning regularly giving to children instruction accepted as equivalent to that furnished in a public school is the registered owner, or owner under agreement, and which is in actual occupation by such institution and is wholly in use for the purpose of furnishing such instruction;

*And certain hospitals*

(iii) of which a hospital receiving aid under the *Hospital Act* is the registered owner, or owner under agreement, either directly or through trustees therefor, and which is in actual occupation by such hospital and is wholly in use for the purposes of the hospital or which is held by the

hospital for future use as a hospital-site and the same has been designated by the Minister of Health to be exempt from taxation;

*And churches*

(iv) of which a religious organization, either directly or through trustees therefor, is the registered owner, or owner under agreement, and which is set apart and in use for the public worship of God; provided, however, that the exemption by this clause conferred shall not be lost by reason of the use of the church property for any of the purposes hereinafter set out if it is so provided by by-law:—

The use of the church property by a government, notwithstanding that a fee is paid for such use:

The use of the church property for the care or instruction of children under school age by a charitable or non-profit organization:

The use of the church property for the purpose of teaching organ or choral music, notwithstanding that a fee is charged therefor:

The use of the church property for the holding of organ recitals, notwithstanding that the recitalist receives a fee therefor:

(v) [Repealed 1987-52-30.]

*And certain real property occupied by S.F.U.*

(vi) occupied by Simon Fraser University in the building commonly known as the Sears Harbour Centre and specifically described as Block 13, District Lot 541, Plan 15728 but this exemption shall be limited to the portion of the real property actually occupied by the University.

*Emergency shelters*

(d) An improvement designed, constructed, or installed for the purpose of providing emergency protection for persons or domestic animals in the event of a disaster or emergency within the meaning of those terms as used in the *Emergency Program Act*:

*And land or improvement for pollution control*

(e) Sewage treatment plants, manure storage facilities, effluent reservoirs, effluent lagoons, deodorizing equipment, dust and particulate matter eliminating equipment:

(e.01) To the extent established by subsection (3), land and improvements that were exempted for the 1996 taxation year under a pollution abatement provision, if

(i) the land and improvements were exempted under that provision for the 1996 taxation year on final determination under the *Assessment Act*, and

(ii) as applicable,

(A) for an exemption in relation to land only, the land continues to be exclusively or primarily used for the purpose of abating pollution,

(B) for an exemption in relation to improvements only, the improvements continue to be exclusively or primarily used for the purpose of abating pollution, or

(C) for an exemption in relation to land and improvements, the land and improvements continue to be exclusively or primarily used for the purpose of abating pollution;

*And Vancouver Court House*

(e.1) Lands and improvements known as the Vancouver Court House and specifically described as

Block 51  
District Lot 541  
Plan 14423,

So long as they are occupied by The Vancouver Art Gallery Association:

*And British Columbia Cancer Agency Branch*

(e.2) That part of the lands and improvements located on the north side of the 600 block of West 10th Avenue, and specifically described as

Lot A  
Block 359  
District Lot 526  
Group 1, New Westminster District  
Plan LMP 51308  
PID 025-141-015,



and occupied by the British Columbia Cancer Agency Branch, so long as it is in actual occupation by, and wholly in use for cancer research and other charitable purposes of, the British Columbia Cancer Agency Branch:

*Meaning of "improvement"*

(f) The word "improvement" where used in clause (e) shall have the meaning ascribed to it in the *Assessment Act*:

*Charitable institution*

(g) Notwithstanding paragraph (c) (i), real property of an incorporated charitable institution which is used for senior citizens' housing or a community care facility, and which receives or has received grants or assistance pursuant to any Provincial or federal legislation, shall only be exempt if it is so provided by by-law.

(2) Septic disposal systems are not exempt from taxation under this section.

(3) The amount of an exemption under subsection (1) (e.01) for a taxation year is limited to the portion of the assessed value of land and improvements that is the least of the following:

(a) the portion that the British Columbia Assessment Authority, determines is attributable to the use of pollution abatement for that taxation year, subject to final determination under the *Assessment Act*;

(b) the portion that was exempted for pollution abatement purposes for the immediately preceding taxation year on final determination under the *Assessment Act*;

(c) the portion that was exempted for the 1996 taxation year on final determination under the *Assessment Act*.

(4) In this section,

"final determination under the *Assessment Act*" means a determination on the assessment roll for a taxation year, subject to any change that is finally determined under the *Assessment Act* by revised assessment roll, by supplementary assessment roll or on further appeal;

"pollution abatement provision" means section 396 (1) (e.01) of this Act, section 339 (1) (q) of the *Municipal Act* or section 15 (1) (s) of the *Taxation (Rural Area) Act*, as those provisions read before their repeal and replacement by the *Budget Measures Implementation Act, 1997*.

(5) As limits on the exemptions under subsection (1),

(a) subject to subsection (6), an exemption under subsection (1) does not apply in relation to

- (i) water use rates under section 300 (a),
- (i.1) energy utility system charges under section 300.1 (3) (f);
- (ii) sewer and drainage charges under section 302 (d), and
- (iii) solid waste charges under section 303 (g), and

(b) exemptions

- (i) under subsection (1) (b),
- (ii) for a library under subsection (1) (c) (i),
- (iii) for a cemetery, mausoleum or columbarium under subsection (1) (c) (i),
- (iv) for senior citizens' housing under subsection (1) (c) (i) or (g),
- (v) under subsection (1) (c) (ii), or
- (vi) under subsection (1) (c) (iv)

apply only in relation to taxation under section 373.

(6) The limit under subsection (5) (a) does not apply in relation to the interest of the Crown in Crown lands exempted under subsection (1) (a) or to property exempted under subsection (1) (e) or (e.01).

(7) For the purposes of subsection (1) (c) (i) (A), an incorporated charitable institution is deemed to be a registered owner of real property if

(a) it is, directly or through trustees, the registered holder of a leasehold estate in the real property,

(b) the actual registered owner of the real property is an incorporated charitable institution, and

(c) the real property would be exempt if it were in actual occupation by the institution referred to in paragraph (b) for a particular charitable purpose of that institution.

1953-55-396; 1956-70-9; 1961-76-7; 1964-72-15; 1966-69-15; 1969-35-27; 1969-45-23; 1970-54-20, effective December 1, 1969; 1973-93-25; 1974-87-38; 1977-30-157, proclaimed effective September

30, 1977; 1977-75-7, proclaimed effective October 21, 1977; 1984-26-86, effective May 31, 1984 (B.C. Reg. 164/84); 1985-20-41, effective July 11, 1985 (B.C. Reg. 214/85); 1987-2-5; 1987-52-29,30; 1988-67-5; 1990-31-18; 1990-32-11; 1993-59-50; 1993-74-12; 1997-4-36; 1997-25-190; 1998-22-32; 2002-63-25; 2003-3-51; 2003-66-60; 2004-34-20; 2004-35-93; 2007-6-45; 2007-13-67.

*Exemptions for heritage property*

**396A.** (1) In this section and section 396B "eligible heritage property" means property that is

- (a) protected heritage property,
- (b) subject to a heritage revitalization agreement under section 592, or
- (c) subject to a covenant under section 219 of the *Land Title Act* that relates to the conservation of heritage property.

(2) Despite section 396 but subject to subsection (3) of this section, for the purposes of supporting the conservation of an eligible heritage property, on or before October 31 in any year the Council may, by by-law adopted by at least 2/3 of the votes cast, do one or more of the following:

- (a) exempt all or part of the eligible heritage property from real property taxation under this Part;
- (b) if eligible heritage property exempted under paragraph (a) is a building or other improvement so affixed to the land as to constitute real property, exempt an area of land surrounding the exempted property from real property taxation under this Part for the same period of time as the exemption is made under paragraph (a);
- (c) limit an exemption under paragraph (a) or (b) to a specified portion of the net taxable value of the property to which the exemption applies;
- (d) make an exemption under this subsection subject to specified conditions.

(3) A by-law under subsection (2) may provide a tax exemption

- (a) for the next calendar year, or
- (b) if the by-law receives the assent of the electors or is approved by the electors in accordance with subsection (4), for a specified period not greater than 10 years.

(4) Approval of the electors to a by-law under subsection (2) is deemed to have been given if all the following requirements are met:

(a) at least 30 days before adopting the by-law, a notice is published in at least 2 issues of a newspaper circulating in the city

(i) identifying the eligible heritage property that would be subject to the by-law,

(ii) describing the exemption that would be made for the eligible heritage property, and

(iii) stating that the by-law may be adopted by the Council after 30 days unless more than 1/20 of the electors petition the Council to obtain the assent of the electors to the by-law;

(b) from the date on which the notice is first published under paragraph (a), it is posted for public inspection in the City Hall during its regular office hours;

(c) by the end of 30 days after the notice is first published under paragraph (a), 1/20 or fewer of the electors have petitioned the Council to obtain the assent of the electors to the by-law.

(5) Within 30 days after adopting a by-law under this section, the Council must give notice of the by-law to the minister responsible for the *Heritage Conservation Act* in accordance with section 602.

1994-43-92; 1997-25-191.

*Repayment requirement in relation to heritage exemptions*

**396B.** (1) A by-law under section 396A may provide that, if any of the following circumstances as specified in the by-law occur, the Council may require the owner of the eligible heritage property at that time to pay to the city an amount equivalent to the total taxes exempted under the by-law plus interest from the time at which the exempt taxes would otherwise have been payable, compounded annually at the rate established under section 415 for delinquent taxes:

(a) if the eligible heritage property is destroyed, whether with or without proper authorization under the requirements of the heritage protection of the property;

(b) if the eligible heritage property is altered by or on behalf of the owner without proper authorization under the requirements of the heritage protection of the property;

(c) if any other circumstances specified in the by-law occur.

(2) A by-law under section 396A that includes a provision under subsection (1) may not be adopted without the consent of the owner of the eligible heritage property to which the by-law applies.

(3) If a by-law under section 396A includes a provision under subsection (1), within 30 days after the by-law is adopted the Council must have notice of the by-law filed in the land title office in accordance with section 601.

(4) If a by-law under section 396A includes a provision under subsection (1) and a circumstance referred to in the provision occurs, the Council may, by by-law adopted by at least 2/3 of the votes cast, either

(a) require the owner to pay the amount referred to in subsection (1), or

(b) waive the obligation of the owner to pay all or part of the amount referred to in subsection (1).

(5) If the Council does not adopt a by-law under subsection (4) (a) within one year after it becomes aware of the circumstance in relation to which the by-law could be adopted, the Council is deemed to have waived all obligation of the owner to pay the amount referred to in subsection (1).

(6) If the Council adopts a by-law under subsection (4) (a) within the time period referred to in subsection (5), the Council may

(a) add the amount referred to in subsection (1) to the taxes for the current year payable to the city in relation to the eligible heritage property, or

(b) make an agreement with the owner regarding payment of the amount referred to in subsection (1) as a personal debt to the city.

1994-43-92.

*Exemptions for riparian property*

**396C.** (1) In this section and section 396D:

"eligible riparian property" means property that meets all the following requirements:

(a) the property must be riparian land;

(b) the property must be subject to a covenant under section 219 of the *Land Title Act* that relates to the protection of the property as riparian property;

(c) the city must be a covenantee in whose favour the covenant referred to in paragraph (b) is made;

(d) any other requirements prescribed under subsection (6);

"eligible value" means the portion of the net taxable value of the parcel of land in relation to which an exemption under subsection (2) is made that is equivalent to the ratio of

(a) the area of the eligible riparian property that is exempted under subsection (2)

(a)

to

(b) the area of the parcel of land in relation to which the exemption is made.

(2) Despite section 396 but subject to subsections (3) and (4) of this section, for the purposes of supporting the conservation of an eligible riparian property, on or before October 31 in any year the Council may, by by-law adopted by at least 2/3 of the votes cast, do one or more of the following:

(a) exempt all or part of the eligible riparian property from real property taxation under this Part;

(b) limit an exemption under paragraph (a) to a specified portion of the eligible value of the property to which the exemption applies;

(c) make an exemption under this subsection subject to specified conditions.

(3) An exemption under subsection (2) may apply only to that part of the eligible riparian property that is a riparian area.

(4) A by-law under subsection (2) may provide a tax exemption

(a) for the next calendar year, or

(b) if the by-law receives the assent of the electors or is approved by the electors in accordance with subsection (5), for a specified period not greater than 10 years.

(5) Approval of the electors to a by-law under subsection (2) is deemed to have been given if all the following requirements are met:

(a) at least 30 days before adopting the by-law, a notice is published in at least 2 issues of a newspaper circulating in the city

(i) identifying the eligible riparian property that would be subject to the by-law,

(ii) describing the exemption that would be made for the eligible riparian property, and

(iii) stating that the by-law may be adopted by the Council after 30 days unless more than 5% of the electors petition the Council to obtain the assent of the electors to the by-law;

(b) from the date on which the notice is first published under paragraph (a), it is posted for public inspection in the City Hall during its regular office hours;

(c) by the end of 30 days after the notice is first published under paragraph (a), 5% or fewer of the electors have petitioned the Council to obtain the assent of the electors to the by-law.

(6) The Lieutenant Governor in Council may, by regulation, establish additional requirements for property to be considered eligible riparian property.

1997-24-17.

*Repayment requirement in relation to riparian exemptions*

396D. (1) A by-law under section 396C may provide that, if

(a) there is a contravention of any of the conditions of the covenant under section 219 of the *Land Title Act* in relation to which the exemption is given,

(b) the covenant is discharged before the end of the period of the exemption, or

(c) any other circumstances specified in the by-law occur,

the Council may require the owner of the eligible riparian property at that time to pay to the city the amount referred to in subsection (2).

(2) The amount that may be required under subsection (1) is the amount equivalent to

(a) the total taxes exempted under the by-law under section 396C,

plus

(b) interest from the time at which the exempt taxes would otherwise have been payable, compounded annually at the rate established under section 415 for delinquent taxes.

(3) A by-law under section 396C that includes a provision under subsection (1) may not be adopted without the consent of the owner of the eligible riparian property to which the by-law applies.

(4) If a by-law under section 396C includes a provision under subsection (1), within 30 days after the by-law is adopted the Council must have notice of the bylaw filed in the land title office, and for this purpose section 601 applies.

(5) If a by-law under section 396C includes a provision under subsection (1) and a circumstance specified in the provision occurs, the Council may, by by-law adopted by at least 2/3 of the votes cast, either

(a) require the owner to pay the amount referred to in subsection (2), or

(b) waive the obligation of the owner to pay all or part of the amount referred to in subsection (2).

(6) If the Council does not adopt a by-law under subsection (5) (a) within one year after it becomes aware of the circumstance in relation to which the by-law could be adopted, the Council is deemed to have waived all obligation of the owner to pay the amount referred to in subsection (2).

(7) If the Council adopts a by-law under subsection (5) (a) within the time period referred to in subsection (6), the Council may

(a) add the amount referred to in subsection (2) to the taxes for the current year payable to the city in relation to the eligible riparian property, or

(b) make an agreement with the owner regarding payment of the amount referred to in subsection (2) as a personal debt to the city.

1997-24-17.

*Revitalization tax exemptions*

396E (1) In this section:

"**exemption agreement**" means an agreement under subsection (9);

"**exemption certificate**" means a revitalization tax exemption certificate issued under subsection (10);

"**owner**", in relation to a property, means the registered owner or the owner under agreement;

"**revitalization program by-law**" means a by-law under subsection (4).



(2) Despite section 396 [*liability to taxation*], the Council may, for the purpose of encouraging revitalization in the city, provide tax exemptions for land or improvements, or both, in accordance with this section.

(3) For a revitalization tax exemption under this section to apply to a particular property

- (a) the exemption must be in accordance with a revitalization program by-law under subsection (4),
- (b) an exemption agreement under subsection (9) must apply to the property, and
- (c) an exemption certificate for the property must have been issued under subsection (10).

(4) A revitalization tax exemption program must be established by a by-law that includes the following:

- (a) a description of the reasons for and the objectives of the program;
- (b) a description of how the program is intended to accomplish the objectives;
- (c) a description of the kinds of property, or related activities or circumstances, that will be eligible for tax exemptions under the program;
- (d) the extent of the tax exemptions available;
- (e) the amounts of tax exemptions that may be provided under the by-law, by specifying amounts or by establishing formulas by which the amounts are to be determined, or both;
- (f) the maximum term of a tax exemption that may be provided under the by-law, which may not be longer than 10 years.

(5) A revitalization program by-law

- (a) may include other provisions the Council considers advisable respecting the program including, without limiting this,
  - (i) the requirements that must be met before an exemption certificate may be issued,
  - (ii) conditions that must be included in an exemption certificate, and
  - (iii) provision for a recapture amount that must be paid by the owner of the property to the city if the conditions specified in the exemption certificate are not met, and

(b) may be different for

- (i) different areas of the city,
- (ii) different property classes under the *Assessment Act*,
- (iii) different classes of land or improvements, or both, as established by the by-law,
- (iv) different activities and circumstances related to a property or its uses, as established by the by-law, and
- (v) different uses or occupancies as established by zoning by-law.

(6) Before adopting a revitalization program by-law, the Council must

- (a) give notice of the proposed by-law in accordance with subsections (7) and (8), and
- (b) consider the by-law in conjunction with the objectives and policies set out in the report under section 219 (2) (c) [*use of permissive tax exemptions*].

(7) The notice required under subsection (6) must

- (a) be published in a newspaper once each week for 2 consecutive weeks, and
- (b) from the date on which the notice is first published under paragraph (a) of this subsection, be posted for public inspection in the City Hall during its regular office hours.

(8) The notice required under subsection (6) must include a general description of each of the following:

- (a) the reasons for and the objectives of the program;
- (b) how the proposed program is intended to accomplish the objectives;
- (c) the kinds of property, or related activities or circumstances, that will be eligible for a tax exemption under the program;
- (d) the extent, amounts and maximum terms of the tax exemptions that may be provided under the program.

(9) The Council may enter into an agreement with the owner of a property respecting

- (a) the provision of a revitalization tax exemption under this section,

(b) any requirements that must be met before an exemption certificate is issued,  
and

(c) any conditions on which the tax exemption is to be provided.

(10) Once

(a) all requirements established in the exemption program by-law, and

(b) any additional requirements established in the exemption agreement

have been met, a revitalization tax exemption certificate must be issued for the property in accordance with the exemption agreement.

(11) An exemption certificate must specify the following in accordance with the exemption program by-law and the exemption agreement:

(a) the extent of the tax exemption;

(b) the amount of the tax exemption or the formula for determining the exemption;

(c) the term of the tax exemption;

(d) if applicable, the conditions on which the tax exemption is provided;

(e) if applicable, that a recapture amount is payable if the exemption certificate is cancelled, and how that amount is to be determined.

(12) So long as an exemption certificate has not been cancelled, the land or improvements, or both, subject to the exemption certificate are exempt from taxation under section 373 [*annual rating by-law*] as provided in the exemption certificate.

(13) An exemption certificate may be cancelled by the Council

(a) on the request of the property owner, or

(b) if any of the conditions specified in the exemption certificate are not met.

(14) An exemption certificate or cancellation does not apply to taxation in a calendar year unless the exemption certificate is issued or cancelled, as applicable, on or before October 31 in the preceding year.

(15) The Director of Finance, or another city employee authorized by the Director of Finance, must

(a) provide a copy of an exemption certificate to the assessor as soon as practicable after it is issued, and

(b) if applicable, notify the assessor as soon as practicable after an exemption certificate is cancelled.

(16) In each year,

(a) no later than the adoption of the rating by-law under section 373 (1), the Director of Finance must prepare and submit to the Council a report for the previous year that includes, for each tax exemption provided under this section, the amount of real property taxes that would have been imposed on the property in that previous year if it were not exempt for that year, and

(b) as soon as practicable after receiving the report, the Council must consider the report and make it available to the public.