

April 30, 2018

To: His Worship the Mayor  
And Members of City Council

Re: Finance and Administration Committee: Annual Property Tax Exemption - 2018

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RECOMMENDATION

**RECOMMENDATION OF THE FINANCE AND ADMINISTRATION COMMITTEE  
- APRIL 10, 2018**

1. That the property tax exemptions as listed in Appendix A be approved subject to the Government of Saskatchewan approving the exemption or partial exemption of the education portion of the taxes for amounts that are \$25,000 or greater.
2. That the City Solicitor be instructed to bring forward the necessary bylaw to provide for the property tax exemptions listed in Appendix A.
3. That the Executive Director, City Planning and Development or her delegate be authorized to apply to the Government of Saskatchewan on behalf of property owners for any exemption of the education portion of the taxes that is \$25,000 or greater for property tax exemptions listed in Appendix A.

*FINANCE AND ADMINISTRATION COMMITTEE – APRIL 10, 2018*

The Committee adopted a resolution to concur in the recommendation contained in the report. Recommendation #4 does not require City Council approval.

Councillors: Bob Hawkins (Chair), Sharron Bryce, Jason Mancinelli and Barbara Young were present during consideration of this report by the Finance and Administration Committee.

The Finance and Administration Committee, at its meeting held on April 10, 2018, considered the following report from the Administration:

RECOMMENDATION

1. That the property tax exemptions as listed in Appendix A be approved subject to the Government of Saskatchewan approving the exemption or partial exemption of the education portion of the taxes for amounts that are \$25,000 or greater.
2. That the City Solicitor be instructed to bring forward the necessary bylaw to provide for the property tax exemptions listed in Appendix A.

3. That the Executive Director, City Planning and Development or her delegate be authorized to apply to the Government of Saskatchewan on behalf of property owners for any exemption of the education portion of the taxes that is \$25,000 or greater for property tax exemptions listed in Appendix A.
4. That this report be forwarded to the April 30, 2018 meeting of City Council for approval.

## CONCLUSION

The exemptions outlined in Appendix A, are consistent with exemptions provided in past years or are based on agreements entered into by the City of Regina (City), as part of the land leasing or sale policy.

City Council has approved the exemptions of occupants of City-owned properties from property tax, if the occupant maintains the property that otherwise would not be taxed and where the City would incur maintenance costs.

It is recommended that the exemptions in Appendix A be approved.

## BACKGROUND

Subsections 262(3) and (4) of *The Cities Act* grant City Council the authority to exempt from taxation, in whole or in part, any land or improvements. City Council annually considers property tax exemptions based on past practices or agreements. The purpose of this report is to consider exemptions for 2018.

*The Education Property Tax Act* came into effect January 1, 2018. *The Education Property Tax Act* specifies that any exemption of education property taxes that is \$25,000 or greater, must be approved by the Government of Saskatchewan (Government).

## DISCUSSION

Pursuant to *The Cities Act*, all property in a municipality is subject to assessment and taxation unless specifically exempted. Statutory exemptions are provided in subsection 262(1) of *The Cities Act*. Subsections 262(3) and (4) of *The Cities Act* specify that City Council may, by bylaw, exempt from taxation the whole or part of any land or improvement designated in the bylaw. Further, City Council may enter into agreements for these exemptions, on any terms and conditions they see fit for no more than five years.

Appendix A is a summary of the proposed annual exemptions for 2018. These exemptions include, but are not limited to:

- Exemptions for small land parcels and easements,

- Exemptions of occupants of City-owned properties where the property would not be taxable if not for the occupant and the City would incur maintenance costs if the property was not maintained by the occupant, such as community gardens,
- Non-profit organizations, organizations providing support for the community.

Additional information on each exemption can be found in Appendix B.

These exemptions are consistent with past practices. The significant properties are the RCMP Heritage Centre, Saskatchewan Science Centre, Mackenzie Art Gallery and the Regina & District Foodbank. The estimated total municipal share of all the exemptions in Appendix A approximates \$1,175,881.

The changes in the properties included in Appendix A from 2018 are as follows:

<b>Removals from the Annual Bylaw</b>		
<b>Owner/Organization</b>	<b>Civic Address</b>	<b>Reason</b>
Regina Airport Authority	1-5201 Regina Avenue	in 2017 received exemption for Library and Education taxes. Removed for 2018.
Columbus Park Board Inc	2940 Pasqua Street	Persuant to <i>The Cities Act</i> subsection 265 (1.1) – These 6 properties are owned by City and operate on behalf of the City and therefore have been removed from the annual bylaw
Regina Senior Citizens Centre Inc.	2134 Winnipeg St	
Rotary Senior Citizens Recreational Centre	2404 Elphinstone St	
Cathedral Area Community Association	2900 13 <sup>th</sup> Avenue	
Regina Lawn Bowling Club	3820 Victoria Avenue	
Core Community Group Inc.	1654 11 <sup>th</sup> Avenue	

*The Education Property Tax Act* came into effect January 1, 2018. *The Education Property Tax Act* specifies that any exemption of education property taxes that is \$25,000 or greater, must be approved by the Government. Under this legislation, only municipalities can apply on behalf of property owners for the exemption of the education portion of the taxes. If City Council approves the bylaw, Administration will apply to the Government on behalf of these properties. Owners will be notified of the Government’s decision when Administration receives it.

## RECOMMENDATION IMPLICATIONS

### Financial Implications

The property tax exemptions listed in Appendix A total approximately \$2,059,885 in foregone tax revenue. The City's share of this foregone revenue is approximately \$1,175,881, which has been incorporated into the 2018 budget. These estimates are based on 2018 assessments. Municipal and Library taxes are based on the approved 2018 mill rates. Education taxes are based on the 2017 mill rates. These amounts will change once the tax rates are finalized for 2018.

#### Environmental Implications

None with respect to this report.

#### Policy and/or Strategic Implications

There is currently no policy in place to govern the granting of these exemptions. Recommendations made in this report are based on past practice.

#### Other Implications

Changes to provincial legislation are beyond the control of the City. *The Education Property Tax Act* and *The Education Property Tax Regulations* came into effect January 1, 2018 and govern the application and administration of education property tax exemptions.

#### Accessibility Implications

None with respect to this report.

#### COMMUNICATIONS

All affected parties will be provided with a copy of this report prior to the Finance and Administration Committee and City Council meetings. They will also receive a copy of Council's decision regarding this report.

A copy of the report will be provided to the Regina Public Library Board.

#### DELEGATED AUTHORITY

The recommendations contained in this report require City Council approval, along with the passage of a bylaw.

Respectfully submitted,

FINANCE AND ADMINISTRATION COMMITTEE

A handwritten signature in black ink, appearing to read 'Ashley Thompson', followed by a horizontal line extending to the right.

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Ashley Thompson, Secretary