



CITY OF RICHMOND

***CITY CENTRE AREA TRANSITIONAL
TAX EXEMPTION***

BYLAW NO. 8776

EFFECTIVE DATE – July 25, 2011



**CITY CENTRE AREA
TRANSITIONAL TAX EXEMPTION BYLAW NO. 8776**

WHEREAS the 2011 *Municipalities Enabling and Validating Act (No. 4)*, S.B.C. 2011, c. 14 authorizes Council to establish a tax exemption program for land meeting certain criteria in Richmond’s City Centre area;

AND WHEREAS certain commercial and light industrial properties in the City Centre area have experienced substantial increases in property taxes since 2005 due to various factors, including changes to the Richmond Official Community Plan to permit high density mixed-use developments in the area, construction of the Canada Line, rapid redevelopment in the area, and demand causing significant increases to the fair market and assessment values of the properties in the area;

AND WHEREAS the City wishes to protect businesses and jobs in the City Centre area during the transition of the area from primarily commercial and light industrial to high density mixed-use developments by providing temporary partial tax exemptions to properties meeting the criteria, terms and conditions set out in this bylaw;

AND WHEREAS section 227 of the *Community Charter* applies to this bylaw and requires that notice be given of a tax exemption bylaw, and notice of this bylaw has been given accordingly;

AND WHEREAS Council has considered this bylaw in conjunction with the objectives and policies set out for the use of permissive tax exemptions under the City’s financial plan and determined that this bylaw is compatible with those objectives and policies,

NOW THEREFORE, the Council of the City of Richmond enacts as follows:

PART ONE: DEFINITIONS

1.1 In this bylaw:

ACT	means the <i>Municipalities Enabling and Validating Act (No. 4)</i> , S.B.C. 2011, c.14
CITY	means the City of Richmond
COUNCIL	means the Council of the City
EXEMPTION AGREEMENT	means the tax exemption agreement between the owner of a parcel and the City in accordance with Part Four of this bylaw
EXEMPTION AREA	means the area prescribed pursuant to section 2(3)(a)(i) of the Act

EXEMPTION CERTIFICATE	means a tax exemption certificate issued by the City under this bylaw and under section 2(8) of the Act
IMPROVEMENTS	has the same meaning as in the <i>Assessment Act</i>
OWNER	means the owner registered on the title of a parcel
PARCEL	has the same meaning as in the Schedule to the <i>Community Charter</i>
TAX COLLECTOR	means the City officer assigned the responsibility as collector of taxes for the City
TAX EXEMPTION	means a tax exemption for which an exemption certificate has been issued

- 1.2 Words defined in the *Community Charter* have the same meaning when used in this bylaw unless defined in this bylaw.
- 1.3 For certainty, a reference in this bylaw to a “class” is a reference to that class as defined in the *Assessment Act*.

PART TWO: TAX EXEMPTION PROGRAM

- 2.1 There is established a tax exemption program for the granting of **tax exemptions** and issuance of **exemption certificates** for **parcels** in accordance with the terms and conditions prescribed by this bylaw.
- 2.2 The kind of land that is eligible for a **tax exemption** under this bylaw is a **parcel** that:
- is located in the **exemption area**;
 - is classified only as Class 5 or 6 property under the *Assessment Act* for the purpose of taxation for the taxation year;
 - has an assessed value with respect to land, not including **improvements**, on the revised assessment roll for the 2011 municipal taxation year that has increased by an amount equal to or more than the greater of 100%, or a percentage prescribed by the Province, from the assessed value with respect to land, not including **improvements**, for that **parcel** on the revised assessment roll for the 2005 municipal taxation year;
 - without limiting paragraph (c), has had an increase of more than \$30,000 in municipal property value taxes for the **parcel** between the 2005 municipal taxation year and the 2011 municipal taxation year;
 - is not a strata lot pursuant to the *Strata Property Act*;
 - contains **improvements** as part of the assessed value of the **parcel**;
 - contains at least one business, the operator of which holds a valid **City** business licence;

- (h) is subject to an **exemption agreement**; and
 - (i) is the subject of an **exemption certificate**.
- 2.3 The extent of the **tax exemption** available under this bylaw is twenty percent (20%) of the assessed value of the land, not including **improvements**, for a **parcel** that is the subject of an **exemption certificate**.
- 2.4 A **tax exemption** under this bylaw applies during a municipal taxation year to a **parcel** in respect of which the **tax collector** has issued an **exemption certificate** on or before October 31 of the prior municipal taxation year.
- 2.5 A **tax exemption** under this bylaw must not be provided after the 2016 municipal taxation year, and an **exemption certificate** must not be issued after October 31, 2015.
- 2.6 Subject to sections 2.5 and 5.7, the maximum term of a **tax exemption** is one year.

PART THREE: APPLICATION PROCESS

- 3.1 Application for a **tax exemption** for a **parcel** for a municipal taxation year must be submitted by the **owner** in a form acceptable to the **tax collector** no later than July 31 in the year preceding the year for which the **tax exemption** is sought, except that an application for a tax exemption for the 2012 municipal taxation year must be made no later than September 16, 2011.
- 3.2 An **owner** applying for a **tax exemption** must submit the following to the **tax collector**:
- (a) a tax search certificate indicating that all taxes assessed and rates, charges and fees imposed in respect of the **parcel** have been paid, and where taxes, rates or assessments are payable by instalments, that all instalments owing at the date of application have been paid;
 - (b) a certificate, in a form acceptable to the **tax collector**, setting out how the **parcel** satisfies the eligibility criteria set out in paragraphs (a) to (g) of section 2.2;
 - (c) a certificate, in a form acceptable to the **tax collector**, containing a list of lessees, if any, of the **parcel** or a portion of the **parcel**, whether or not there are registered lease agreements, and the business contact information for the lessees;
 - (d) written acknowledgement by each lessee, or a representative of the lessee, referred to in paragraph (c) that the **owner** is making an application for a **tax exemption**;
 - (e) an **exemption agreement** duly executed by the **owner**; and
 - (f) a non-refundable fee in the amount of \$200.
- 3.3 The **tax collector** is the designated municipal officer for the purpose of receiving applications and issuing **exemption certificates**.

PART FOUR: EXEMPTION AGREEMENT

- 4.1 An **exemption agreement** must include the following:
- (a) the term of the **tax exemption**;
 - (b) the **parcel** to which the **tax exemption** applies;
 - (c) the extent of the **tax exemption**;
 - (d) the conditions on which the **tax exemption** is provided; and
 - (e) that the recapture amount under Part Six is payable if the conditions are not met or the **exemption certificate** is cancelled.
- 4.2 The **tax collector** is delegated the authority on behalf of Council to enter into and execute an **exemption agreement**.

PART FIVE: EXEMPTION CERTIFICATE

- 5.1 If the **tax collector**:
- (a) receives the documentation and fee set out in section 3.2;
 - (b) is satisfied that the **parcel** satisfies the eligibility criteria under this bylaw and the **Act**, and
 - (c) is satisfied that the municipal property value taxes for the **parcel** are not in arrears,
- the **tax collector** must issue an **exemption certificate** for the **parcel**.
- 5.2 An **exemption certificate** will include the following:
- (a) a statement that the **tax exemption** for the **parcel** is twenty percent (20%) of the assessed value of the land, not including **improvements**, for the **parcel**;
 - (b) the term of the **tax exemption**;
 - (c) the conditions on which the **tax exemption** is provided;
 - (d) a statement that the **City** has relied on the written representation of the **owner** with respect to the matters referred to in paragraphs (a) to (g) of section 2.2;
 - (e) a statement that the **parcel** must continue to meet all of the eligibility criteria set out in section 2.2 of this bylaw throughout the term of the **exemption certificate**.
- 5.3 If:
- (a) a **parcel** is subdivided after the issuance of an **exemption certificate** for the **parcel**,

- (b) a building permit is issued, pursuant to the **City's Building Regulation Bylaw No. 7230**, for the demolition of a building on a **parcel** after the issuance of an **exemption certificate** for the **parcel**,
- (c) a development permit is issued for the **parcel** after the issuance of an **exemption certificate** for the **parcel**,
- (d) a **parcel** that is subject to an **exemption certificate** is disposed of to a successor **owner** and the successor **owner** fails to enter into the same **exemption agreement** with respect to the **parcel**, or
- (e) the municipal property value taxes for the **parcel** are in arrears,

the **exemption certificate** for the **parcel** is cancelled.

5.4 An **exemption certificate** is valid for one year, commencing on January 1 and expiring on December 31 of the applicable municipal taxation year.

5.5 If an **exemption certificate** has been issued in respect of a **parcel** and the **owner** of the **parcel** has received an assessment notice for that **parcel** under the *Assessment Act*, the **owner** must promptly deliver a copy of the notice and of the **exemption certificate** to each lessee of any portion of the **parcel**, whether or not there is a registered lease agreement with respect to the lessee.

5.6 The **tax collector** may cancel an **exemption certificate**:

- (a) on the request of the **owner**;
- (b) if any of the conditions set out in the **exemption certificate** are not met; or
- (c) if any of the events described in section 5.3 (a) through (e) occur,

and the **tax collector** must provide written notice of cancellation to the **owner** and in the notice state the effective date of the cancellation, which is retroactive to the earliest date that a condition was not met or when any of the events described in section 5.3 (a) through (e) occurred.

5.7 An **exemption certificate** may be renewed for subsequent taxation years by applying to the **tax collector** in accordance with this bylaw.

PART SIX: RECAPTURE AMOUNT

6.1 If an **exemption certificate** is cancelled pursuant to section 5.6 of this bylaw, the **owner** of the **parcel** for which the **exemption certificate** was issued will remit to the **City**, no later than 30 days after receipt of the cancellation notice provided by the **tax collector**, a recapture amount calculated as follows:

$\frac{\text{\# of days remaining in taxation year after cancellation date}}{365} \times \text{value of tax exemption}$

365

6.2 The amount of the recapture is a debt due and owing to the **City** by the **owner** of the parcel for which the **exemption certificate** was issued.

6.3 The amount of the recapture constitutes municipal property value taxes owing and so may be collected in like manner as property taxes.

PART SEVEN: SEVERABILITY AND CITATION

7.1 The provisions of this bylaw are severable, and if, for any reason, any subdivision, part, section, subsection, clause, or sub-clause, or other words in this bylaw are for any reason, found to be invalid or unenforceable by the decision of a Court of competent jurisdiction, such decision does not affect the validity of the remaining portions of this bylaw.

7.2 This bylaw is cited as “**City Centre Area Transitional Tax Exemption Bylaw 8776**”.

FIRST READING

SECOND READING

THIRD READING

ADOPTED

CITY OF RICHMOND
APPROVED for content by originating dept.
APPROVED for legality by Solicitor

MAYOR

CORPORATE OFFICER