CITY CENTRE AREA TRANSITIONAL
TAX EXEMPTION

BYLAW NO. 8776

EFFECTIVE DATE – July 25, 2011
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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 Municipalities Enabling and Validating Act (No. 4), 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 Assessment Act.

OWNER means the owner registered on the title of a parcel.

PARCEL has the same meaning as in the Schedule to the Community Charter.

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:

(a) is located in the exemption area;

(b) is classified only as Class 5 or 6 property under the Assessment Act for the purpose of taxation for the taxation year;

(c) 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;

(d) 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;

(e) is not a strata lot pursuant to the Strata Property Act;

(f) contains improvements as part of the assessed value of the parcel;

(g) 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:

\[
\text{Recapture Amount} = \left( \frac{\text{Value of Tax Exemption}}{365} \right) \times \left( \frac{\# \text{ of days remaining in taxation year after cancellation date}}{365} \right)
\]
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

__________________________
MAYOR

__________________________
CORPORATE OFFICER

CITY OF RICHMOND
APPROVED
for content by originating dept.

APPROVED
for legality by Solicitor